



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1002: PROVIDER PARTICIPATION IN HEALTH INSURANCE

Prime Sponsors:

Rep. Brown; Gilchrist

Sen. Ball; Pelton B.

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Fiscal note status: The revised fiscal note reflects the introduced bill, as amended by the House Health and Human Services Committee.

Summary Information

Overview. The bill requires health insurance carriers to take steps to verify participation in, and to make updates to, their provider networks.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Diverted Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Fund sources for these impacts are shown in the tables below.

Summary of Legislation

The bill requires health insurance carriers to update their provider networks by establishing procedures for provider inactivity, mental health provider network applications, and mental health provider prelicensure.

Additionally, the bill expands clinical social worker licensure requirements.

Provider Inactivity

Beginning January 1, 2027, if an in-network mental health or substance use disorder provider has not submitted a claim to a carrier for 12 months, the carrier must confirm the provider's intent to stay in the network and accept new patients. If the provider does not respond to several inquiries, the carrier must remove them from the network. This requirement applies to private health insurance carriers.

Expedited Application Timelines for Mental Health Providers

[Senate Bill 21-126](#) established timelines for private health insurance carriers to credential physicians applying to join the carrier's network. The bill adds mental health and substance use disorder providers to this requirement.

Prelicensure for Mental Health Providers

The bill establishes a prelicensure process for providers and psychiatric nurses to be reimbursed as in-network providers by private health insurance carriers if they are working under the supervision of a participating mental health or substance use provider. The Department of Regulatory Agencies (DORA) will set all necessary requirements for the process, and is authorized to enforce compliance.

Clinical Social Workers Licensure Requirements

The bill requires clinical social workers to complete 3,000 post-master's hours of practice over two to five years to be licensed by DORA.

State Expenditures

Department of Regulatory Agencies

Workload in DORA will minimally increase for rulemaking, outreach, and complaint processing, which can be absorbed within existing resources.

State Employee Health Insurance

Administrative requirements placed on private insurance companies under the bill may contribute to higher premiums for state employee health insurance, which are shared by state agencies and employees. The fiscal note assumes that any change in state employee health insurance premiums will be minimal. (See Departmental Difference).

While the current partnership agreement with Colorado WINS specifies that any increased premium costs will be paid by the state through FY 2027-28, the exact share paid by the state and by employees will ultimately be adjusted and set by the General Assembly through the annual budget process. Any cost increase for state employee health insurance will be paid through various centrally appropriated line items across all state agencies and will be adjusted through the annual budget process.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

Departmental Difference

The Department of Personnel and Administration estimates that the bill will increase state employee health insurance costs by \$130,000, based on estimates provided by one of the two companies that provides state employee health insurance (Kaiser Permanente). This estimate assumes an increase in mental health service utilization. While the fiscal note assumes that the bill may increase administrative costs for insurers, which could contribute to higher premiums, the fiscal note does not assume any significant change in overall service utilization by state employees.

State and Local Government Contacts

Health Care Policy and Financing

Regulatory Agencies

Personnel

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).