



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1327: LARGE EMPLOYER WORKER HEALTH-CARE SUPPORT

Prime Sponsors:

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Fiscal note status: This revised fiscal note reflects the introduced bill, as amended by the House Health & Human Services Committee. It also includes further analysis of the estimated adult Medicaid working population and potential fee impact.

Summary Information

Overview. The bill creates the Large Employer Health-Care Support Enterprise in the Department of Health Care Policy and Financing to collect fees from large employers of state Medicaid-enrolled individuals.

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

- State Revenue
- State Expenditures
- State Transfers

Appropriations. For FY 2026-26, the bill requires an appropriation of \$179,045 to the Department of Health Care Policy and Financing.

Table 1
State Fiscal Impacts

| Type of Impact | Budget Year FY 2026-27 | Out Year FY 2027-28 | Out Year FY 2028-29 | Out Year FY 2029-30 | FY 2030-31 and Ongoing |
|---------------------|---------------------------|------------------------|------------------------|------------------------|---------------------------|
| State Revenue | \$0 | about \$33.3M | about \$33.3M | about \$33.3M | about \$106.6M |
| State Expenditures | \$203,634 | \$904,964 | \$699,500 | \$699,500 | \$699,500 |
| Transferred Funds | \$95,000 | \$50,461 | \$50,461 | \$0 | \$0 |
| TABOR Refunds | \$0 | \$0 | \$0 | \$0 | \$0 |
| Change in State FTE | 1.3 FTE | 5.1 FTE | 5.1 FTE | 5.1 FTE | 5.1 FTE |

Revenue amounts are in millions (M) of dollars. Expenditures reflect the net change in expenditures after accounting for increased cash fund spending offsetting General Fund spending. Fund sources for these impacts are shown in the tables below.

**Table 1A
 State Revenue**

| Fund Source | Budget Year FY 2026-27 | Out Year FY 2027-28 | Out Year FY 2028-29 | Out Year FY 2029-30 | FY 2030-31 and Ongoing |
|--------------------|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------------------------|
| General Fund | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cash Funds | \$0 | about \$33.3M | about \$33.3M | about \$33.3M | about \$106.6M |
| Total | \$0 | about \$33.3M | about \$33.3M | about \$33.3M | about \$106.6M |

Revenue amounts are in millions (M) of dollars.

**Table 1B
 State Expenditures**

| Fund Source | Budget Year FY 2026-27 | Out Year FY 2027-28 | Out Year FY 2028-29 | Out Year FY 2029-30 | FY 2030-31 and Ongoing |
|--------------------|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------------------------|
| General Fund | \$0 | -\$31,896,200 | -\$32,584,433 | -\$32,584,433 | -\$105,863,000 |
| Cash Funds | \$89,523 | \$32,384,447 | \$32,881,216 | \$32,881,216 | \$106,159,783 |
| Federal Funds | \$89,523 | \$302,081 | \$288,082 | \$288,082 | \$288,082 |
| Central. Approp. | \$24,588 | \$114,635 | \$114,635 | \$114,635 | \$114,635 |
| Total | \$203,634 | \$904,964 | \$699,500 | \$699,500 | \$699,500 |
| Total FTE | 1.3 FTE | 5.1 FTE | 5.1 FTE | 5.1 FTE | 5.1 FTE |

**Table 1C
 State Transfers**

| Fund Source | Budget Year FY 2026-27 | Out Year FY 2027-28 | Out Year FY 2028-29 | Out Year FY 2029-30 | FY 2030-31 and Ongoing |
|---------------------|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------------------------|
| General Fund | \$95,000 | \$50,461 | \$50,461 | \$0 | \$0 |
| Cash Funds | \$95,000 | -\$50,461 | -\$50,461 | \$0 | \$0 |
| Net Transfer | \$0 | \$0 | \$0 | \$0 | \$0 |

Summary of Legislation

The bill creates the Large Employer Health-Care Support Enterprise in the Department of Health Care Policy and Financing (HCPF) to collect fees from large employers with employees who are enrolled in Medicaid.

Applicability

The bill applies to employers with 500 or more employees enrolled in the state Medicaid program, not including workers who are under 18 years old or who are seasonally employed.

The bill further exempts employers who:

- provide affordable health coverage to all workers working 20 or more hours per week or 80 or more hours per month, as defined by the federal Patient Protection and Affordable Care Act (ACA);
- are franchisees;
- are registered nonprofits;
- are public employers; or
- have collective bargaining agreements with their employees.

Large Employer Health-Care Support Enterprise

The Large Employer Health-Care Support Enterprise is created to fund medical assistance benefits for employees at large employers who are enrolled in the state's Medicaid program, and to increase reimbursement rates for Medicaid providers.

Large Employer Report

By January 31, 2028, and each year thereafter, employers with over 500 total employees must submit a report to the enterprise with certain information, including the average number of individuals employed, employees' names and dates of birth, dates of employment, and the average number of hours worked per month.

Fee Assessment

By March 31, 2028, and each year thereafter, the enterprise must identify each large employer using the submitted reports, determine the number of applicable Medicaid workers per employer, calculate and impose the fee, and notify the employer and the Department of Revenue (DOR). The fee must be reasonably based on the cost of medical services provided to large employer workers, which may be adjusted annually. For employers that neglect or refuse to submit the large employer report, the enterprise must estimate the fee amount using the best available information.

Within 60 days of receiving notice, large employers must pay the fee or file a written request for review of the enterprise's assessment. Fee revenue is paid to the DOR on behalf of the enterprise, and credited to the newly created Large Employer Health-Care Support (LEHCS) Cash Fund. DOR is also authorized to add interest and penalties to unpaid fees, and enforce collection.

Fund Use

The enterprise may spend funds from the LEHCS Cash Fund to pay Medicaid costs for employees of large employers who are enrolled in Medicaid, increase provider reimbursements rates, as well as to cover administrative costs incurred in HCPF and the DOR. Prior to the start of fee collection, the State Treasurer may transfer up to \$95,000 from the General Fund to the LEHCS Cash Fund to cover initial costs of the enterprise.

Enterprise Governance

The enterprise is governed by a board of directors, who may adopt rules, impose fees on large employers, assess penalties, and implement the new program. The enterprise may contract with HCPF for office space and administrative staff, and must use the Department of Law for legal services. The enterprise must submit an annual report to the General Assembly regarding its activities and funding

Background and Assumptions

Eligible Population

The fiscal note estimates that approximately 46,400 Medicaid-enrolled workers are employed by employers subject to the bill's enterprise fee. This estimate is based on statewide adult Medicaid enrollment data, labor force participation data, and assumptions regarding employer size and exemption status.

Colorado Medicaid Enrollment Data

In 2025, Colorado's Medicaid program enrolled approximately 1.18 million individuals,¹ of which an estimated 334,000 were adults working full- or part-time, as shown in Table 2A below.²

¹ Department of Health Care Policy and Financing, [FY 2024-25 Report to the Community](#), 2025.

² Colorado Health Institute, [Colorado Health Access Survey](#), 2025.

Table 2A
Colorado’s Adult (18+) Medicaid Population by Employment Status, 2025

| Employment Status | Estimated Percentage | Estimated Enrollment |
|---|-----------------------------|-----------------------------|
| Working full-time (40+ hours per week) | 15.1% | 127,805 |
| Working part-time (20 to 39 hours per week) | 16.7% | 140,582 |
| Working part-time (less than 20 hours per week) | 4.7% | 39,352 |
| Working but hours unknown | 3.1% | 26,195 |
| Unemployed but looking for work | 17.1% | 144,404 |
| Not in labor force | 22.3% | 188,270 |
| Not working due to disability | 21.0% | 177,094 |
| Total Working Full- or Part-Time | 39.6% | 333,934 |

However, the bill applies only to employers with 500 or more Medicaid-enrolled workers and it excludes employers meeting certain exemption criteria. Because available data do not identify Medicaid-enrolled workers by both employer size and exemption status, the fiscal note applies proxy assumptions as follows.

Employer Size Assumptions

First, the fiscal note assumes that approximately 23 percent of working Medicaid adults are employed by large firms, based on statewide employment patterns for full-time and part-time workers in large organizations.³ Applying these proportions to the estimated 334,000 working Medicaid adults identified above results in about 74,000 Medicaid enrolled-workers employed by firms meeting the bill’s large-employer threshold, as shown in Table 2B.

Table 2B
Working Adult Medicaid Population, Large Firms

| Worker Status | Estimated Percentage | Estimated Population |
|---------------------------------|-----------------------------|-----------------------------|
| Working full-time | 20.4% | 28,305 |
| Working part-time | 23.4% | 45,728 |
| Estimated Working Adults | 22.7% | 74,033 |

Exemption Status Assumptions

Second, the fiscal note assumes that approximately 37 percent of these Medicaid-enrolled workers are employed by firms qualifying for one or more statutory exemptions. These

³ Colorado Health Institute, [Colorado Health Access Surveys, 2017-2021](#).

exemptions include nonprofit employers (7.5 percent)⁴, public employers (9.3 percent)⁵, franchisees (6.2 percent)⁶, employers with collective bargaining agreements (6.7 percent)⁷, and employers offering affordable health coverage (16.1 percent of full-time workers and 13.0 percent of part-time workers),⁸ as outlined in Table 2C.

Table 2C
Working Adult Medicaid Population by Exemption Status

| Exemption Status | Estimated Percentage | Estimated Population |
|-----------------------------------|-----------------------------|-----------------------------|
| Nonprofit employer | 7.5% | 5,538 |
| Public employer | 9.3% | 6,885 |
| Franchisee | 6.2% | 4,597 |
| Collective bargaining agreement | 6.7% | 4,960 |
| ACA full-time coverage | 16.1% | 11,888 |
| ACA part-time coverage | 13.0% | 9,603 |
| Total Exempt (Low-Overlap) | 58.7% | 43,471 |
| Total Exempt (High-Overlap) | 16.1% | 11,888 |
| Total Exempt (Average) | 37.4% | 27,680 |
| Total Non-Exempt (Average) | 62.6% | 46,353 |

ACA coverage percentages shown in Table 2C are derived from source data and adjusted to reflect the same working Medicaid population used for other exemption criteria.

Because the fiscal note cannot determine the degree to which these exemption categories overlap, it models a range of outcomes. Under a low-overlap assumption, approximately 43,500 workers would be exempt, representing the cumulation of each unique category. Under a high-overlap assumption, approximately 11,900 workers would be exempt, representing the minimum number of unique workers. Given this uncertainty, the fiscal note assumes a midpoint exemption rate, resulting in approximately 46,400 Medicaid-enrolled workers employed by non-exempt large firms that are subject to the enterprise fee.

Medical Service Premiums

Beginning in FY 2027-28, the enterprise will begin collecting fee revenue that can be used to pay for medical assistance benefits in the state Medicaid program. The fiscal note assumes that fee revenue will replace General Fund expenditures for the same services and populations as under

⁴ Colorado Nonprofit Association, [Economic Impact Analysis](#), 2024.
⁵ Obtained from the Department of Health Care Policy and Financing, 2025.
⁶ International Franchise Association, [Local Impact of Franchising in Colorado](#), 2025.
⁷ U.S. Bureau of Labor Statistics, [Union Members in Colorado](#), 2025.
⁸ KFF, [Medicaid Workers and Job-Based Insurance](#), 2026.

current practice. Further, it is assumed that all enterprise revenue, after accounting for administrative costs, will be used to pay medical service premiums for enrolled members, and will solely be used to offset General Fund costs for the covered population.

Thus, no change to federal matching funds or contributions from the Health Affordability and Sustainability (HAS) Cash Fund are estimated. However, federal matching rates and HAS Cash Fund contributions may vary depending on the exact populations served and benefits provided.

Reimbursement Rates

The bill permits fee revenue to be used for provider rate increases. However, the fiscal note cannot estimate impacts for rate reimbursement due to the wide number of factors affecting provider rates and the range of potential actions taken by the enterprise, the department, and the General Assembly. If fee revenue under the bill is used to increase provider rates relative to current law, overall Medicaid expenditures will increase and the amount of General Fund offset by fee revenue will decrease relative to the fiscal note estimate.

Enterprise Revenue Restrictions

Proposition 117, approved by voters in 2020, requires voter approval for a state enterprise to be created if its projected or actual revenue exceeds \$100 million in its first five fiscal years. State law requires that an enterprise stop collecting fees or surcharges if the collection of additional fees or surcharges would cause it to exceed this limit, and voters have not previously approved such collections.

The fiscal note assumes that the five-year period begins upon bill enactment and ends in FY 2029-30, and that fees will be set so as to collect less than \$100 million of enterprise revenue over that period. After FY 2029-30, it is assumed that the enterprise will increase fees on employers to reflect actual medical service costs.

Transfer Amount and Date

The fiscal note assumes that the State Treasurer will transfer the maximum amount of \$95,000 from the General Fund to the LEHCS Cash Fund in FY 2026-27. If a lesser amount is transferred, funding sources for administrative costs and loan payment timelines will shift.

Collective Bargaining Agreements

To the extent that large employers choose to enter into collective bargaining agreements with employees rather than pay the fee, revenue will decrease relative to this fiscal note estimate. Medicaid expenditures may also decrease from individuals shifting costs onto private insurers. The fiscal note assumes that employers will not seek to enter into these agreements and will pay the applicable fee.

State Revenue

The bill increases state cash fund revenue by about \$33.3 million in FY 2027-28, FY 2028-29, and FY 2029-30 to the LEHCS Cash Fund in HCPF from increased fees imposed on certain large employers. Beginning in FY 2030-31, revenue will increase to an estimated \$106.6 million per year, as shown in Table 3 and discussed below. It may also increase state revenue from penalties, bonds, and gifts, grants, and donations. Enterprise revenue and gifts, grants, and donations are exempt from TABOR revenue limits.

**Table 3
 Large Employer Health-Care Support Enterprise Revenue**

| Fund Source | Out Year FY 2027-28 | Out Year FY 2028-29 | Out Year FY 2029-30 | FY 2030-31 and Ongoing |
|---------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------------------------|
| Large Employer Fee | \$719 | \$719 | \$719 | \$2,300 |
| Medicaid-Enrolled Workers | about 46,400 | about 46,400 | about 46,400 | about 46,400 |
| Total Revenue | about \$33.3M | about \$33.3M | about \$33.3M | about \$106.6M |

Fee revenue will not be received in FY 2026-27, and has been omitted from Table 3.

Fee Impact on Large Employers

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. As discussed in the Background and Assumptions section above, the fiscal note assumes that about 46,400 Medicaid-enrolled workers are employed by employers subject to the fee. To stay under the \$100 million cap, it is estimated that fee revenue will increase by approximately \$33.3 million per year in the first three years of collection.

In future years, it is assumed that the enterprise will increase fees on employers to approximately \$2,300 per eligible employee, which represents about 50 percent of the average medical cost incurred per Medicaid member. Actual fee revenue depends on actions taken by large employers, Medicaid enrollment trends, and fee setting decisions made by the enterprise. An estimate on the exact number of employers affected by the new fee is not available, but is assumed to be less than 50 businesses.

Interest and Administrative Penalties

Under the bill, large employers that fail to pay applicable fees are subject to interest on unpaid fees and administrative penalties imposed by the Department of Revenue. It is assumed that large employers will comply with the bill and that interest and penalties will not be imposed.

Bond Revenue

The enterprise is allowed to issue revenue bonds. The decision to issue bonds and the amount of any bonds will be made by the enterprise board; thus, bond revenue, if any, cannot be estimated by the fiscal note.

Gifts, Grants, and Donations

The bill potentially increases state revenue to the LEHCS Cash Fund from gifts, grants, or donations; however, no sources have been identified at this time.

State Transfers

The bill allows a one-time transfer of \$95,000 from the General Fund to the LEHCS Cash Fund in FY 2026-27. This transfer is a loan to the enterprise and must be repaid with interest to the General Fund by July 1, 2029. The fiscal note assumes that the loan will be repaid in equal installments in FY 2027-28 and FY 2028-29 with an interest rate of approximately 4.1 percent; therefore, loan repayment is expected to be about \$50,500 per year.

State Expenditures

The bill increases state expenditures by \$204,000 in FY 2026-27, \$905,000 in FY 2027-28, and \$700,000 in future years. These costs, paid from the General Fund, federal funds, and the LEHCS Cash Fund, will be incurred in the Department of Health Care Policy and Financing and the Department of Revenue. The bill also increases workload in several other state agencies.

Table 4
State Expenditures
All Departments

| Department | Budget Year FY 2026-27 | Out Year FY 2027-28 | Out Year FY 2028-29 | Out Year FY 2029-30 | FY 2030-31 and Ongoing |
|--------------------|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------------------------|
| HCPF | \$203,634 | \$718,799 | \$690,798 | \$690,798 | \$690,798 |
| Revenue | \$0 | \$186,165 | \$8,702 | \$8,702 | \$8,702 |
| Total Costs | \$203,634 | \$904,964 | \$699,500 | \$699,500 | \$699,500 |

HCPF expenditures reflect the net impact, after accounting for fee revenue being used to offset General Fund costs for Medicaid. See Table 4A for more detail.

Department of Health Care Policy and Financing

The bill increases expenditures in HCPF to establish and administer the enterprises, as shown in Table 4A and discussed below. Medical service premium costs will also shift from the General Fund to the Large Employer Fee Cash Fund, but are not expected to materially change on net.

**Table 4A
 State Expenditures
 Department of Health Care Policy and Financing**

| Cost Component | Budget Year FY 2026-27 | Out Year FY 2027-28 | Out Year FY 2028-29 | Out Year FY 2029-30 | FY 2030-31 and Ongoing |
|---------------------------------|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------------------------|
| Personal Services | \$108,454 | \$452,993 | \$452,993 | \$452,993 | \$452,993 |
| Operating Expenses | \$1,280 | \$6,400 | \$6,400 | \$6,400 | \$6,400 |
| Capital Outlay Costs | \$7,000 | \$28,000 | \$0 | \$0 | \$0 |
| Contracting Fees | \$0 | \$91,000 | \$91,000 | \$91,000 | \$91,000 |
| Meeting Costs | \$0 | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| Medical Services (Fee Revenue) | \$0 | \$32,378,970 | \$32,584,433 | \$32,584,433 | \$105,863,000 |
| Medical Services (General Fund) | \$0 | -\$32,378,970 | -\$32,584,433 | -\$32,584,433 | -\$105,863,000 |
| Legal Services | \$62,312 | \$20,771 | \$20,771 | \$20,771 | \$20,771 |
| Centrally Appropriated Costs | \$24,588 | \$114,635 | \$114,635 | \$114,635 | \$114,635 |
| FTE – Personal Services | 1.0 FTE | 5.0 FTE | 5.0 FTE | 5.0 FTE | 5.0 FTE |
| FTE – Legal Services | 0.3 FTE | 0.1 FTE | 0.1 FTE | 0.1 FTE | 0.1 FTE |
| Total Costs | \$203,634 | \$718,799 | \$690,798 | \$690,798 | \$690,798 |
| General Fund | \$0 | -\$32,076,888 | -\$32,584,433 | -\$32,584,433 | -\$105,863,000 |
| LEHCS Fees | \$89,523 | \$32,378,970 | \$32,872,514 | \$32,872,514 | \$106,151,081 |
| Federal Funds | \$89,523 | \$302,082 | \$288,082 | \$288,082 | \$288,082 |
| Centrally Appropriated Costs | \$24,588 | \$114,635 | \$114,635 | \$114,635 | \$114,635 |
| Total FTE | 1.3 FTE | 5.1 FTE | 5.1 FTE | 5.1 FTE | 5.1 FTE |

Staff

In FY 2026-27, HCPF requires 1.0 FTE to serve as the department’s enterprise lead, coordinate the creation of the enterprise, engage with large employers, establish administrative policies, and present department recommendations to the board. Beginning in FY 2027-28, HCPF requires an additional 4.0 FTE to collect data from agencies and businesses, integrate data validation processes, determine employers subject to the fee, manage revenue collection, and perform accounting and administrative duties.

Contracting Fees

Beginning in FY 2026-27, HCPF requires an estimated \$91,000 to hire a contractor that will support enterprise analytics, evaluation, research, stakeholder engagement, and report submissions. Based on the scope of the new program, the fiscal note estimates that a contractor will perform about 390 hours of work at a rate of \$234 per hour. Actual costs will be determined through the procurement process.

Meeting Costs

HCPF requires \$5,000 per year to host the enterprise board and reimburse members for meetings. This estimate is based on similar meeting costs for enterprises administered by the state.

Medical Service Premiums

As discussed in the Background and Assumptions section, the fiscal note assumes that fee revenue raised in the enterprise will be expended in full each year and directly replace existing medical service premiums paid from the General Fund. Therefore, no net change in costs is expected. However, funding sources for these costs will shift from the General Fund to the LEHCS Cash Fund, as shown in Table 4A. After accounting for administrative costs in HCPF and DOR, it is estimated that about \$32.4 million will be available from employer fees to replace existing General Fund expenditures in FY 2027-28, \$32.6 million in FY 2028-29 and FY 2029-30, and \$105.9 million in future years. Actual cost shifting for medical service premiums depends on a wide array of factors; therefore, any change as a result of the bill will be addressed through the annual budget process.

Legal Services

HCPF requires 450 hours of legal services in FY 2026-27 and 150 hours in future years for rulemaking, program implementation, and ongoing support. Legal services are provided by the Department of Law at a rate of \$138.47 per hour.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in the table above.

Department of Revenue

The DOR requires computer programming and data reporting costs to implement the bill. Costs are paid from the General Fund in FY 2027-28, and from the LEHCS Cash Fund in future years, as shown in Table 4B and discussed below.

Table 4B
State Expenditures
Department of Revenue

| Cost Component | Budget Year FY 2026-27 | Out Year FY 2027-28 | Out Year FY 2028-29 | Out Year FY 2029-30 |
|---------------------------------|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| GenTax Programming | \$0 | \$167,096 | \$0 | \$0 |
| Office of Research and Analysis | \$0 | \$8,778 | \$8,702 | \$8,702 |
| User Acceptance Testing | \$0 | \$10,291 | \$0 | \$0 |
| Total Costs | \$0 | \$186,165 | \$8,702 | \$8,702 |

Computer Programming and Testing

This bill requires one-time expenditures of \$177,387 in FY 2027-28 to program, test, and update database fields in the DOR's GenTax software system. Programming costs are estimated at \$146,514 representing 600 hours of contract programming at a rate of \$244.19 per hour. Costs for system testing include \$20,582 for 502 hours of innovation, strategy, and delivery programming support and \$10,291 for 251 hours of user acceptance testing, both at a rate of \$41 per hour.

Research and Analysis

Expenditures in the Office of Research and Analysis are required for changes in the related GenTax reports so that the department can access and document tax statistics related to the new tax policy. The Office of Research and Analysis within DOR will expend \$8,778 in FY 2027-28 and \$8,700 in FY 2028-29 and ongoing, representing about 230 hours at a rate of \$38 per hour.

Legal Services

DOR may require legal services, provided by the Department of Law, related to rulemaking, fee collection, and enforcement. It is assumed that this work can be accomplished within existing appropriations, however, any material change will be addressed through the annual budget process.

Governor's Office

Workload will minimally increase for the Governor's Office of Boards and Commissions to make the required enterprise board appointments under the bill. This work can be accomplished within existing appropriations.

Department of Labor and Employment

The Department of Labor and Employment is assumed to have increased workload to enter into a data-sharing agreement with HCPF to provide employer and employee information necessary to identify large employers and number of applicable employees.

Cash Fund Creation—Departments of Personnel and Treasury

Workload will increase for the Departments of Personnel and Administration (DPA) and Treasury to manage and perform accounting for the cash fund created in the bill. While no appropriation is required at this time, these departments may seek additional funding through the annual budget process based on the cumulative impact of all cash funds created through legislation.

Technical Note

Several provisions of the bill lack clear implementation guidance, including how to attribute workers employed by franchise locations, individuals with multiple employers, seasonal workers, and independent contractors. As a result, challenges may arise in identifying large employers, attributing supported workers, and resolving employer disputes.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2026-27, the bill requires an appropriation of \$179,045, split evenly between the Large Employer Health-Care Support Cash Fund and federal funds, to the Department of Health Care Policy and Financing, and 1.0 FTE. Of this amount, \$62,312 is reappropriated to the Department of Law, with an additional 0.3 FTE.

State and Local Government Contacts

| | |
|-----------------------------------|---------------------|
| Governor's Boards and Commissions | Regulatory Agencies |
| Health Care Policy and Financing | Revenue |
| Labor | Treasury |
| Law | |

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](#).