



Fiscal Note

Legislative Council Staff

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SB 25-042: BEHAVIORAL HEALTH CRISIS RESPONSE RECOMMENDATIONS

Prime Sponsors:

Sen. Cutter; Amabile
Rep. Bradfield; English

Fiscal Analyst:

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Bill Outcome: Signed into Law
Drafting number: LLS 25-0113

Version: Final Fiscal Note
Date: August 19, 2025

Fiscal note status: The final fiscal note reflects the enacted bill, which was recommended by the Legislative Oversight Committee Concerning the Treatment of Persons with Behavioral Health Disorders in the Criminal and Juvenile Justice Systems.

Summary Information

Overview. The bill forms a behavioral health stakeholder group, creates new reporting requirements for departments, and updates coverage of medical health care through Medicaid and emergency mental health hold practices.

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

- Minimal State Workload
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

¹ Fund sources for these impacts are shown in the tables below.

Summary of Legislation

The bill creates several new measures related to behavioral health, including a stakeholder group, new reporting requirements, and updated mental health care practices in the state.

Stakeholder Group

By June 30, 2026, the Department of Public Safety (CDPS) and the Behavioral Health Administration (BHA) must consult with stakeholders to identify existing resources and model programs for behavioral health crises. The CDPS must make the findings available on their website and report to the General Assembly.

New Reporting Requirements

By January 1, 2027, the BHA, in collaboration with the Department of Health Care Policy and Financing (HCPF), must report to the General Assembly, on reimbursement gaps within the Behavioral Health Crisis Response System and funding options to address the gaps.

Medicaid Reimbursement for Mental Health Care

The bill codifies a budget request which was approved in the FY 2024-25 Long Bill to reimburse institutes of mental health disease for up to 60 days of mental health care and treatment services per Medicaid member, as long as the average length of stay is no more than 30 days per year. See Background section for additional information.

Emergency Mental Health Holds

The bill requires certain hospitals to only discharge a person on an emergency mental health hold if they no longer meet the criteria for the hold. The hospital may transfer the person to another hospital if they are unable to provide the appropriate care to the person.

Background

In the [FY 2024-25 Long Bill](#), the General Assembly approved a budget request from HCPF to reimburse stays in an institute of mental health disease for up to 30 days per stay. The department was recently approved to draw down federal matching funds to pay for these stays.

State Expenditures

Beginning in FY 2025-26, the bill increases workload for DPS, BHA, HCPF, as described below.

Department of Public Safety

Workload in the DPA will increase to convene the stakeholder group, report and publish findings, and to continually update information on resources and model programs. This workload is expected to be minimal and no change in appropriation is required.

Behavioral Health Administration

Workload in the BHA will increase to analyze gaps and funding opportunities for the Behavioral Health Crisis Response System. This workload is expected to be minimal and no change in appropriation is required.

Department of Health Care Policy and Financing

Workload will increase to support the BHA in analysis of gaps and funding options for the Behavioral Health Crisis Response System. This workload is expected to be minimal and no change in appropriation is required.

Lastly, the bill codifies current practices regarding reimbursement under Medicaid for certain mental health care and treatment. No change in appropriations is required, as funding for this change is already included in the HCPF budget.

Local Government

In FY 2025-26 only, workload to local government that participate in the stakeholder group will increase. This workload is expected to be minimal.

Effective Date

The bill was signed into law by the Governor on March 26, 2025 and took effect on August 6, 2025.

State and Local Government Contacts

Behavioral Health Administration

Judicial

Health Care Policy and Financing

Public Health and Environment

Human Services

Public Safety

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](#).