

First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 25-0887.01 Brita Darling x2241

HOUSE BILL 25-1297

HOUSE SPONSORSHIP

Brown and Gilchrist,

SENATE SPONSORSHIP

Jodeh,

House Committees
Health & Human Services

Senate Committees

A BILL FOR AN ACT

101 CONCERNING UPDATES TO THE HEALTH INSURANCE AFFORDABILITY
102 ENTERPRISE TO PROVIDE CONTINUING COVERAGE FOR HEALTH
103 INSURANCE NEEDS IN THE STATE.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Beginning in 2026, the bill authorizes an increase to the health insurance affordability fee assessed and collected from insurance carriers (carriers) by up to one percentage point to implement and administer the health insurance affordability enterprise (HIAE). The bill includes objectives for the commissioner of insurance (commissioner) to consider

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

in determining whether to increase the HIAE fee, including, in part, maintaining HIAE programs to achieve a premium reduction in the reinsurance program and to provide subsidies for individuals with low income who purchase insurance on the Colorado health benefit exchange. The commissioner shall notify carriers of the amount of the HIAE fee for the upcoming calendar year.

The bill changes the allocation of the HIAE fee assessed for 2026, dedicating up to 40% each to state-subsidized individual health coverage plans purchased by qualified individuals and to the reinsurance program cash fund, with the remaining revenue allocated for other purposes specified in the bill, including new and emerging health insurance affordability initiatives.

The bill authorizes the enterprise to seek, accept, and expend gifts, grants, or donations for the purposes of the HIAE.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 10-16-1203, **amend**
3 (12)(c) as follows:

4 **10-16-1203. Definitions.** As used in this part 12, unless the
5 context otherwise requires:

6 (12) "Qualified individual" means an individual, regardless of
7 immigration status, who:

8 (c) Is not eligible for the premium tax credit, medicaid, medicare,
9 or the children's basic health plan; EXCEPT FOR AN INDIVIDUAL WHO IS
10 ELIGIBLE PURSUANT TO SECTION 25.5-5-201 (6) OR 25.5-8-109 (7).

11 **SECTION 2.** In Colorado Revised Statutes, 10-16-1205, **amend**
12 (1)(a)(I) introductory portion, (1)(b)(II), and (2)(d)(I) introductory
13 portion; and **add** (1)(a.5), (1)(b)(VI), (1)(b)(VII), (2)(d)(IV), and (2)(e)
14 as follows:

15 **10-16-1205. Health insurance affordability fee - special**
16 **assessment on hospitals - allocation of revenues.** (1) (a) (I) Starting in
17 the 2021 calendar year, the enterprise shall assess and collect from

1 carriers, by July 15 each year, a health insurance affordability fee. EXCEPT
2 AS PROVIDED IN SUBSECTION (1)(a.5) OF THIS SECTION, the fee amount is
3 based on the following percentages of premiums collected by the
4 following carriers in the immediately preceding calendar year on health
5 benefit plans issued in the state:

6 (a.5) (I) STARTING IN THE 2026 CALENDAR YEAR, THE
7 COMMISSIONER MAY INCREASE THE HEALTH INSURANCE AFFORDABILITY
8 FEE BY UP TO ONE PERCENTAGE POINT ABOVE THE PERCENTAGES SPECIFIED
9 IN SUBSECTION (1)(a)(I) OF THIS SECTION.

10 (II) IN DETERMINING WHETHER TO INCREASE THE PERCENTAGE OF
11 PREMIUMS COLLECTED BY THE CARRIERS PURSUANT TO SUBSECTION
12 (1)(a)(I) OF THIS SECTION, THE COMMISSIONER SHALL CONSIDER THE
13 FOLLOWING OBJECTIVES:

14 (A) MAINTAINING THE ENTERPRISE PROGRAMS TO ACHIEVE A
15 STATEWIDE AVERAGE TWENTY PERCENT PREMIUM REDUCTION IN THE
16 REINSURANCE PROGRAM, PROVIDING SUBSIDIES FOR INDIVIDUALS WITH AN
17 INCOME OF UP TO TWO HUNDRED FIFTY PERCENT OF THE FEDERAL POVERTY
18 LINE WHO PURCHASE INSURANCE ON THE EXCHANGE, AND PROVIDING
19 COVERAGE FOR QUALIFIED INDIVIDUALS AT THE 2025 CALENDAR YEAR
20 ENROLLMENT LEVEL;

21 (B) COVERING THE COSTS OF ENSURING COMPLIANCE IN THE
22 INDIVIDUAL MARKET WITH THE FEDERAL HYDE AMENDMENT OR A SIMILAR
23 AMENDMENT; AND

24 (C) SUPPORTING ADDITIONAL AFFORDABILITY EFFORTS TO
25 MAINTAIN OR INCREASE COVERAGE IN THE INDIVIDUAL MARKET.

26 (III) THE COMMISSIONER SHALL NOTIFY CARRIERS OF THE HEALTH
27 INSURANCE FEE AMOUNT FOR THE CALENDAR YEAR NOT LATER THAN

1 AUGUST 31 OF THE YEAR BEFORE THE CALENDAR YEAR FOR WHICH THE
2 FEE AMOUNT IS ASSESSED.

3 (b) The enterprise shall use the fee, the special assessment on
4 hospitals, and any other money available in the fund as follows, allocated
5 in accordance with subsection (2) of this section:

6 (II) To provide payments to carriers to increase the affordability
7 of health insurance on the individual market for Coloradans who ~~receive~~
8 ~~the premium tax credit~~ PURCHASE INSURANCE ON THE EXCHANGE;

9 (VI) TO COVER THE COSTS OF ENSURING COMPLIANCE IN THE
10 INDIVIDUAL MARKET WITH THE FEDERAL HYDE AMENDMENT OR A SIMILAR
11 AMENDMENT; AND

12 (VII) TO SUPPORT ADDITIONAL AFFORDABILITY EFFORTS TO
13 MAINTAIN OR INCREASE COVERAGE IN THE INDIVIDUAL MARKET.

14 (2) (d) (I) The enterprise shall allocate the revenues collected in
15 2023 ~~and each year thereafter~~ THROUGH 2026, and any other money
16 deposited in the fund in 2023 ~~and each year thereafter~~ THROUGH 2026, in
17 the following amounts and order of priority:

18 (IV) FOR THE 2025 AND 2026 CALENDAR YEARS, THE ENTERPRISE
19 MAY USE A PORTION OF THE REVENUES COLLECTED IN 2025 AND 2026 FOR
20 THE PURPOSES SPECIFIED IN SUBSECTIONS (1)(b)(VI) AND (1)(b)(VII) OF
21 THIS SECTION.

22 (e) THE ENTERPRISE SHALL ALLOCATE THE REVENUES ASSESSED
23 FOR THE 2026 CALENDAR YEAR AND FOR EACH CALENDAR YEAR
24 THEREAFTER, AND ANY OTHER MONEY DEPOSITED IN THE FUND IN 2026
25 AND EACH YEAR THEREAFTER, IN THE FOLLOWING WAY:

26 (I) UP TO FORTY PERCENT FOR SUBSIDIES FOR STATE-SUBSIDIZED
27 INDIVIDUAL HEALTH COVERAGE PLANS PURCHASED BY QUALIFIED

- 1 INDIVIDUALS;
- 2 (II) UP TO FORTY PERCENT TO THE REINSURANCE PROGRAM CASH
3 FUND;
- 4 (III) UP TO TEN PERCENT TO REDUCE THE COSTS OF INDIVIDUAL
5 HEALTH PLANS FOR INDIVIDUALS WHO PURCHASE AN INDIVIDUAL HEALTH
6 BENEFIT PLAN ON THE EXCHANGE;
- 7 (IV) UP TO THREE AND ONE-HALF PERCENT FOR ACTUAL
8 ADMINISTRATIVE COSTS AS SET FORTH IN SUBSECTION (1)(b)(IV) OF THIS
9 SECTION; AND
- 10 (V) UP TO SIX AND ONE-HALF PERCENT, AND ANY MONEY
11 REMAINING AFTER THE ALLOCATIONS ARE MADE IN THIS SUBSECTION
12 (2)(e), THAT THE COMMISSIONER MAY DESIGNATE FOR:
- 13 (A) ANY ALLOCATION SPECIFIED IN THIS SUBSECTION (2)(e); OR
14 (B) NEW AND EMERGING HEALTH INSURANCE AFFORDABILITY
15 INITIATIVES, INCLUDING THE PURPOSES SPECIFIED IN SUBSECTIONS
16 (1)(b)(VI) AND (1)(b)(VII) OF THIS SECTION AND HEALTH INSURANCE
17 AFFORDABILITY CASH FUND RESERVES.

18 **SECTION 3.** In Colorado Revised Statutes, 10-16-1206, **amend**
19 (1)(f) and (1)(g); and **add** (1)(h) as follows:

20 **10-16-1206. Health insurance affordability cash fund -**
21 **creation - repeal.** (1) There is created in the state treasury the health
22 insurance affordability cash fund. The fund consists of:

23 (f) All interest and income derived from the deposit and
24 investment of money in the fund; ~~and~~

25 (g) The federal share of the medical assistance payments received
26 pursuant to section 25.5-4-503 (2); AND

27 (h) GIFTS, GRANTS, OR DONATIONS RECEIVED FROM PRIVATE OR

1 PUBLIC SOURCES FOR THE OPERATION, RESERVES, AND SUSTAINABILITY OF
2 THE ENTERPRISE.

3 **SECTION 4.** In Colorado Revised Statutes, 10-16-1207, **add**
4 (4)(e) as follows:

5 **10-16-1207. Health insurance affordability board - creation -**
6 **membership - powers and duties - subject to open meetings and**
7 **public records laws - commissioner rules.** (4) The board is authorized
8 to:

9 (e) SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS
10 FROM PRIVATE OR PUBLIC SOURCES FOR THE OPERATION, RESERVES, AND
11 SUSTAINABILITY OF THE ENTERPRISE. THE ENTERPRISE SHALL CONSIDER
12 THE FEASIBILITY OF ALLOCATING GIFTS, GRANTS, OR DONATIONS RECEIVED
13 FROM SPECIFIC LOCALITIES OR DIRECTED TO SPECIFIC LOCALITIES TO BE
14 USED ONLY IN THOSE LOCALITIES.

15 **SECTION 5. Safety clause.** The general assembly finds,
16 determines, and declares that this act is necessary for the immediate
17 preservation of the public peace, health, or safety or for appropriations for
18 the support and maintenance of the departments of the state and state
19 institutions.