

#### HB 25-1026: REPEAL COPAYMENT FOR DOC INMATE HEALTH CARE

Prime Sponsors: Fiscal Analyst:

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Fiscal note status: This fiscal note reflects the introduced bill.

#### **Summary Information**

**Overview.** The bill prohibits the DOC from charging copayments and late fees for medical services.

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

State Revenue

TABOR Refunds

State Expenditures

**Appropriations.** For FY 2025-26, the bill requires a General Fund appropriation of \$157,179 to the Department of Corrections and a cash fund reduction in the same amount.

# Table 1 State Fiscal Impacts

|                                 | Budget Year   | Out Year      |
|---------------------------------|---------------|---------------|
| Type of Impact                  | FY 2025-26    | FY 2026-27    |
| State Revenue                   | -\$157,179    | -\$157,179    |
| State Expenditures <sup>1</sup> | No net change | No net change |
| Transferred Funds               | \$0           | \$0           |
| Change in TABOR Refunds         | -\$157,179    | -\$157,179    |
| Change in State FTE             | 0.0 FTE       | 0.0 FTE       |

<sup>&</sup>lt;sup>1</sup> The bill requires in a refinancing of cash fund expenditures to the General Fund, resulting in no net change in total expenditures. Fund sources for these impacts are shown in the tables below.

#### Table 1A State Revenue

| Fund Source   | Budget Year<br>FY 2025-26 | Out Year<br>FY 2026-27 |
|---------------|---------------------------|------------------------|
| General Fund  | \$0                       | \$0                    |
| Cash Funds    | -\$157,179                | -\$157,179             |
| Total Revenue | -\$157,179                | -\$157,179             |

## Table 1B State Expenditures

|                    | Budget Year | Out Year   |
|--------------------|-------------|------------|
| Fund Source        | FY 2025-26  | FY 2026-27 |
| General Fund       | \$157,179   | \$157,179  |
| Cash Funds         | -\$157,179  | \$157,179  |
| Total Expenditures | \$0         | \$0        |
| Total FTE          | 0.0 FTE     | 0.0 FTE    |

### **Summary of Legislation**

Currently, state law permits the Department of Corrections (DOC) to charge inmates a copay for health services and caps the copay amount to \$5. This bill repeals this authority and prohibits the DOC from charging copayments or late fees for any medical service.

## **Background**

According to <u>DOC Rule 700-30</u>, all offenders have access to health care regardless of their ability to pay, but the department does charge:

- a \$5 copay for self-declared emergencies;
- a \$3 copay (which may be waived for chronic conditions) for offender-initiated medical appointments, dental visits, and optometry services; and
- a \$3 no-show fee when an offender fails to attend or properly cancel a scheduled appointment, or when an offender refuses an appointment.

The policy also provides a range of services where a co-pay is not charged, such as for routine treatment orders, medical conditions related to a state or national declared emergency, lab work and x-rays, dialysis, end-of-life care, and infirmary admission, among others.

#### **State Revenue**

Starting in FY 2025-26, cash fund revenue to the DOC will decrease by an estimated \$157,179 per year. This represents the current amount of copayments and late fees collected by the DOC. This revenue is subject to the state's TABOR limit.

### **State Expenditures**

Starting in FY 2025-26, the bill decreases state cash fund expenditures from copayments by \$157,179 and increases General Fund expenditures by the same amount. General Fund costs will pay for the portion of medical services costs that are currently covered using copayments and late fees paid by offenders. In addition, the removal of late fees may increase the number of appointment no-shows, which may create scheduling delays.

#### **TABOR Refunds**

The bill is expected to decrease the amount of state revenue required to be refunded to taxpayers by \$157,179 per year. This estimate assumes the December 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. Because TABOR refunds are paid from the General Fund, decreased cash fund revenue will increase the amount of General Fund available to spend or save.

#### **Effective Date**

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

## **State Appropriations**

For FY 2025-26, the bill requires the following appropriation adjustments to the Department of Corrections:

- a decrease of \$157,179 in cash funds from the Medical Services Subprogram Personal Services line: and
- an increase of \$157,179 from the General Fund.

#### **State and Local Government Contacts**

Corrections