



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1068: MALPRACTICE INSURERS GENDER-AFFIRMING CARE MINORS

Prime Sponsors:

Rep. Bottoms
Sen. Baisley

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Published for: House Health & Human Services**Drafting number:** LLS 25-0596**Version:** Initial Fiscal Note**Date:** January 29, 2025**Fiscal note status:** This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill allows a medical malpractice insurer to take certain actions that are prohibited under current law against an applicant or named insured that provides gender-affirming care to minors.

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

- State Expenditures

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	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

Summary of Legislation

The bill permits medical malpractice insurers to take certain actions against health care professionals and facilities that provide gender-affirming care to minors. For these providers, a medical malpractice insurer may:

- refuse to issue a medical malpractice policy;
- cancel or terminate a medical malpractice policy;
- refuse to renew a medical malpractice policy; or,
- impose other sanctions, fines, penalties, or rate increases.

The bill also restricts insurers from accepting state money to cover premiums for malpractice policies if the policy covers health care professionals or facilities that offer gender-affirming care to minors.

State Expenditures

Beginning in FY 2025-26, the bill impacts workload and state expenditures in several state agencies, as detailed below.

Department of Health Care Policy and Financing

State expenditures in the Department of Health Care Policy and Financing (HCPF) will increase by an indeterminate amount to identify and cover costs for a minor's out-of-state gender-affirming care. Federal law requires Medicaid members under 19 years old to receive medically necessary services through the Early and Periodic Screening, Diagnostic, and Treatment benefit. If fewer or no in-state providers offer gender-affirming care as a result of the bill, HCPF may be required to cover travel and service costs for out-of-state care. This increase in expenditures depends on actions made by insurers and medical practitioners, and cannot be estimated. Any cost increase resulting from out-of-state coverage will be addressed through the annual budget process.

Department of Human Services

Workload and expenditures in the Department of Human Services may increase to the extent that the Colorado Mental Health Hospital in Pueblo and the Colorado Mental Health Hospital in Fort Logan provide minors with gender-affirming care, and medical malpractice insurers take action. Any cost increase in the department as a result of coverage adjustments will be addressed through the annual budget process.

Department of Personnel

Workload and expenditures in the Department of Personnel may increase to fund alternative methods of risk financing if state-run facilities or agencies requiring medical malpractice insurance lose coverage as a result of offering gender-affirming care to minors. Additionally, costs may increase to settle malpractice claims without insurance coverage. Any cost increase in the department as a result of coverage adjustments will be addressed through the annual budget process.

Department of Regulatory Agencies

Workload in the Department of Regulatory Agencies (DORA) will minimally increase to modify rules regarding medical malpractice insurance. The department may also require legal counsel, provided by the Department of Law, related to rulemaking and implementation. This workload is expected to be minimal and can be accomplished within existing appropriations.

Effective Date

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

State and Local Government Contacts

Behavioral Health Administration	Law
Health Care Policy and Financing	Personnel
Human Services	Public Health and Environment
Judicial	Regulatory Agencies

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](#).