



## Fiscal Note

### Legislative Council Staff

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## HB 25-1288: SUPPORT FOR FEDERALLY QUALIFIED HEALTH CENTERS

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**Prime Sponsors:**

Rep. Martinez; Winter T.

Sen. Roberts; Simpson

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**Version:** Initial Fiscal Note

**Date:** March 7, 2025

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

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### Summary Information

**Overview.** Conditional upon federal approval, the bill permits the Department of Health Care Policy and Financing to accept gifts to fund federally qualified health centers and allows these health centers to establish subsidiaries.

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

- Minimal State Workload

**Appropriations.** No appropriation is required.

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**Table 1**  
**State Fiscal Impacts**

<b>Type of Impact</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
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

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The bill authorizes the Department of Health Care Policy and Financing (HCPF) to accept monetary gifts from private and public sources for the Primacy Care Fund. Any gifts designated for a Federally Qualified Health Center (FQHC) must seek a federal match, and upon authorization, be allocated at 115 percent of the total gift amount to the FQHC. However, any gifts donated by a FQHC may not be allocated back to a FQHC.

The bill also permits a FQHC to establish a subsidiary company to provide additional fee-for-service services outside of the FQHC's Medicaid encounter rate if the services have been historically provided and reimbursements from HCPF remain budget neutral.

## Background and Assumptions

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The [Primary Care Fund](#) in HCPF receives 19 percent of taxes collected on tobacco products in the state to pay health care providers that meet specific qualifications. Qualified providers are FQHCs or health centers where at least 50 percent of the patients serviced are uninsured, medically indigent, Medicaid, or CHP+ members.

The fiscal note assumes that HCPF will receive federal authorization to accept gifts for FQHCs into the Primary Care Fund in FY 2026-27. If authorization is not granted, HCPF will not implement Section 2 of the bill. It also assumes that any subsidiaries created by FQHCs will not offer new services, nor shift higher-reimbursed services to a fee-for-service model. If this occurs, Medicaid costs for reimbursement will increase.

## State Expenditures

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Conditional upon any necessary federal approval, starting in FY 2026-27, the bill minimally increases workload in HCPF to seek a federal match for gifts designated to FQHCs and allocate funds to recipient health centers. No change in appropriations is required.

## Effective Date

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

## State and Local Government Contacts

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Health Care Policy and Financing

Public Health and Environment

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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](#).