



COLORADO

Department of Health Care
Policy & Financing

303 E. 17th Ave
Denver, CO 80203

HB25-1033: Medicaid Third Party Liability Payments

February 2025

What does this bill do?

This bill would bar liable third-party payers from refusing to reimburse the Medicaid program for an item or service solely on the basis of no prior authorization, and requires third party payers to timely respond to the Department's requests. This bill will help ensure that state taxpayer dollars do not cover services that should be paid by the member's commercial health plan.

Why is this bill needed?

This bill is needed to comply with federal law. The Consolidated Appropriations Act of 2022 amended federal third party liability provisions and the Centers for Medicare and Medicaid Services (CMS) directed states to pass legislation to adhere to the new provisions.

Approximately 10% of Medicaid members are also enrolled in a commercial health plan. Medicaid is the payer of last resort, meaning the commercial payer must pay for services covered by its plan prior to Medicaid paying for the service or item. Compliance with these federal provisions will help prevent the Medicaid program from paying for health care services that should be paid by other health care payers.

What are the consequences if this bill is not passed?

If this bill is not passed, the state will be out of compliance with federal law. The state will also continue to be at risk of paying for services that should be covered by commercial payers.

What is the fiscal impact of this bill?

This bill does not have a fiscal impact.

For more information, contact:

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