Summary of Legislation

2025

Health Care and Health Insurance

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Introduction

Many pieces of legislation regarding health care and health insurance made their way through the 75th General Assembly. The majority of the legislation fell into the following categories: Medicaid, health insurance, access to care, pharmacy and prescription services, rural safety net, abortion, and gender identity.

Medicaid

Much of the health legislation addressed by the 75th General Assembly revolved around Medicaid, with some major pieces of legislation focusing specifically on the 340B program.

The 340B Drug Pricing Program is a federal program that requires drug manufacturers participating in Medicaid to provide outpatient drugs to covered entities at a discount. In Colorado, an estimated 68 hospitals and 20 federally qualified health centers are covered entities under the 340B program.

The legislature debated two different sets of protections for the 340B program in anticipation of federal actions. The legislature adopted Senate Bill 25-071, which prohibits pharmaceutical manufacturers and other related entities from imposing limitations or restrictions on covered hospitals, contract pharmacies, federally qualified health centers, or other facilities.

The bill adds reporting requirements for covered hospitals, and prohibits the use of 340B savings for certain expenses, including administrative compensation, penalties and fines, advertising, and lobbying, among others.

The second bill, Senate Bill 25-124, was lost. This bill would similarly have prohibited certain nonprofit hospitals from using 340B savings for certain expenses, including certain administrative compensation, penalties and fines, advertising, and lobbying. Manufacturers or providers of 340B drugs would further have been required not to limit the provision of 340B drugs to sole community hospitals and critical access hospitals.

Several other bills concerning Medicaid were also debated by the General Assembly. House Bill 25-1003 revises state statute to align with a recent change in the Department of Health Care Policy and Financing (HCPF), which combined two existing Medicaid waiver programs for children – the Children's Home and Community-Based Services waiver and the Children with Life-Limiting Illness waiver – into the Children with Complex

Health Needs waiver program. The new program includes respite care, palliative care, and bereavement services for eligible individuals. A child is eligible for the waiver program if they:

- are under 19 years old;
- meet the income requirements of the Home and Community-Based Services waivers; and
- have a life-limiting illness or qualify for nursing facility or hospital level of care.

Many of the Medicaid-related bills directly affect HCPF and its responsibilities as Colorado's Medicaid agency. House Bill 25-1033, for example, mandates third-party payers to reimburse HCPF for health care items and services provided to Medicaid members regardless of any prior authorization requirements they impose. The bill also requires third-party payers to respond to claims issued by HCPF within 60 days of receipt – either with payment or written denial.

House Bill 25-1213 also provided many updates to Medicaid. Many of these updates focused on billing to HCPF, and the department's relationship with managed care organizations. The bill also requires HCPF and the Colorado Health Care Affordability and Sustainability Enterprise to seek federal authorization to fund and implement a State Directed Payment program. Finally, the bill requires the Colorado Department of Public Health and Environment (CDPHE) to exempt an assisted living facility that has not undergone new construction or renovations from complying with certain facility guidelines.

Health Insurance

Similar to past legislative sessions, the General Assembly passed several bills concerning Colorado's health insurance landscape.

House Bill 25-1300 requires that an employer or the employer's insurer use the Division of Workers' Compensation in the Colorado Department of Labor and Employment (CDLE) utilization standards when responding to a request for authorization from a treating physician. The bill also repeals the requirement that an employer provide a list of health care providers from which an injured worker may select to attend to an injury. Instead, this bill requires that an employer or insurer notify the injured employee of the right to designate a treating physician and where to access the list of Level I and Level II accredited physicians maintained by the CDLE.

Senate Bill 25-045 requires the School of Public Health at the University of Colorado to acquire model legislation developed by a nonprofit to enact a universal single-payer health care system by December 31, 2026. The study is intended to analyze the costs associated with a universal single-payer health care system, amongst other things. The bill also creates the Statewide Health Care Analysis Collaborative under the HCPF to assist the university in its report.

Healthcare and Health Insurance

Current law requires health insurance carriers to cover a variety of preventative health services as recommended by the U.S. Preventive Services Task Force, the Health Resources and Services Administration, and the Advisory Committee on Immunization Practices, with no cost-sharing. In the event that these organizations are repealed or modified, Senate Bill 25-196 allows the Department of Regulatory Agencies to adopt rules for any of the services that were recommended as of January 2025, and mandate coverage for any services recommended by the Nurse-Physician Advisory Task Force for Colorado Health Care.

Access to Care

Increasing access to, and codifying existing healthcare protections, remained a large priority for the legislature this session.

Senate Bill 25-278 broadens the use of epinephrine on school property by changing the phrase "epinephrine auto-injector" to "emergency-use epinephrine." Emergency-use epinephrine is defined as a portable, disposable drug delivery device or product approved by the federal Food and Drug Administration that contains a premeasured, single dose of epinephrine that is used to treat anaphylaxis in an emergency situation.

House Bill 25-1002 codifies and clarifies mental health parity requirements in state law. Specifically, the bill:

- codifies the federal Mental Health Parity and Addiction Equity Act (MHPAEA) into state law;
- clarifies existing state law around mental health parity; and
- requires the use of clinical standards from select national organizations to ensure parity.

House Bill 25-1132 repeals and reenacts the Veterans Mental Health Services Program in the Department of Military and Veterans Affairs. Currently, the program directly reimburses for mental health services provided to eligible veterans living in community living centers. The bill allows reimbursements for services that are complementary to mental health services and requires the first $600,000 appropriated to the program to be for eligible veterans. In addition, the bill allows the program to provide grants to nonprofit organizations to establish and expand community behavioral health programs for service members, veterans, and their families.

Senate Bill 25-118 prohibits state-regulated insurance plans, except for individual and small group plans offered through Colorado Option, from imposing cost-sharing requirements on the first three prenatal office visits.

House Bill 25-1288 codifies HCPF authorization to accept monetary gifts from private and public sources for the Primary Care Fund. It also permits a Federally Qualified Health Center (FQHC) to establish a subsidiary company to provide additional

fee-for-service services outside of the FQHC's Medicaid encounter.

Senate Bill 25-017 codifies the existing HealthySteps program in the Department of Early Childhood (CDEC) as the Pediatric Primary Care Practice Program. The bill requires CDEC to hire a contractor to implement the program, but it does not require CDEC to implement the program beyond its current implementation unless it receives sufficient funding to cover any expansions to the program.

Senate Bill 25-084 also affects HCPF by requiring it to establish Medicaid dispensing fee rates that encourage an adequate level of market participation from infusion pharmacies that prepare and dispense parenteral nutrition (TPN) by January 1, 2026. In the program's first year, dispensing fee rates are capped at 30 percent of the infusion pharmacy's administrative cost to prepare and dispense TPN.

Pharmacy and Prescription Services

Pharmacy, prescription services, and pharmacy benefit managers (PBMs) were also addressed by the General Assembly.

House Bill 25-1094 places limitations on fees that a PBM may charge a health insurer. Specifically, it allows PBMs to charge a flat fee for drugs disbursed to a cover individual and allows these fees to vary based on certain factors. It also adds new disclosure requirements on PBMs and sets minimum reimbursement rates to certain types of pharmacies based on the acquisition costs of drugs. The bill requires contracts between PBMs and health insurers to allow annual audits to ensure contract compliance.

House Bill 25-1222 establishes requirements for PBMs who engage with rural independent pharmacies and modifies rules pertaining to certain prescription drug outlets. This includes setting prescription drug reimbursements for rural independent pharmacies at a rate that is equal to or greater than the national average drug acquisition cost plus a dispensing fee. Additionally, when recouping more than $1,000 as a result of an audit conducted on a rural independent pharmacy, PBMs must notify the pharmacy of the recoupment and right to appeal. Lastly, PBMs may not prohibit a rural independent pharmacy from using a private courier to deliver a prescription drug to a patient or require a rural independent pharmacy to obtain consent from the PBM to use a private courier.

House Bill 25-1016 authorizes a licensed occupational therapist to directly recommend and prescribe durable medical equipment (DME) to a patient without requesting the prescription from a licensed physician. The occupational therapist must consult with the patient about payment options for the DME.

Rural Safety Net Facilities

Current law allows certain public hospitals with fewer than 50 beds to enter into collaborative agreements to increase access

to health care. Senate Bill 25-078 adds private, non-profit hospitals with fewer than 50 beds to the list of facilities approved to enter into collaborative agreements.

House Bill 25-1223 requires the Department of Public Health and Environment (CDPHE) to estimate the total cost needed to meet the capital development needs of Colorado rural and frontier hospitals. This work is to be overseen by a task force whose members are appointed by the Governor and legislative leadership.

Senate Bill 25-290 creates the Provider Stabilization Fund within the HCPF to distribute provider stabilization payments to safety net providers who provide services to low-income, uninsured individuals on a sliding-fee schedule or at no cost. These payments are distributed to eligible safety net providers based on the proportion of low-income, uninsured individuals that the provider serves in comparison to the total number of low-income, uninsured individuals served by all eligible safety net providers.

Abortion

Amendment 79, passed in the 2024 general election, made abortion a constitutional right in Colorado. The amendment also repealed a Colorado constitutional prohibition on the use of public funds for abortion care services. As a result, the General Assembly discussed the topic of abortion several times throughout the 2025 session.

Senate Bill 25-183 makes conforming changes to state law to codify Amendment 79 by striking references to the repealed constitutional prohibition on the use of public funds for abortion care. This includes removing the public employer exemption from the requirement that individual and group health benefit plans provide coverage for the total cost of abortion care, thus codifying that public employers are required to provide this coverage. Additionally, the bill includes abortion care services as a covered benefit under Medicaid and Child Health Plan Plus administered by HCPF, and requires that these services be reimbursed with state funds only.

Senate Bill 25-130 adds requirements for emergency facilities into state law that are similar to those under the federal Emergency Medical Treatment and Labor Act (EMTALA) in order to ensure that individuals in need of emergency medical services receive them without discrimination or delay. It sets standards for when and how patients can be transferred or discharged by emergency facilities, which include hospitals, freestanding emergency departments, and licensed health care facilities that hold themselves out to the public as providing emergency care.

Gender Identity

House Bill 25-1109 requires individuals who are responsible for completing a death certificate to record the decedent's gender in accordance with their gender identity. If a gender identity document is provided, the individual completing the death certificate

must record the decedent's gender in accordance with the gender identity in the document. Where no gender identity document is provided, a person with the legal right to manage the decedent's remains may dispute the recorded gender. If this is done before the certificate is filed, the certificate must reflect the gender as the gender identity reported. If the death certificate has already been filed, the person with the legal right to manage the decedent's remains may file a claim seeking a court order to amend the information recorded on the death certificate.

House Bill 25-1309 codifies coverage for gender-affirming care in state law for state-regulated health plans. The bill also requires the Prescription Drug Monitoring Program to block testosterone prescription entries from view once the prescriptions have been archived.