COLORADO RURAL HEALTH CENTER
*The State Office of Rural Health*

# 2026 Colorado Legislative Session Report



During the 120-day session, CRHC worked across party lines with a broad coalition of healthcare stakeholders to further our policy priorities by influencing and improving legislation and ensuring the unique perspectives of rural healthcare providers were heard under the gold dome. As a result of our hard work, we have many legislative wins and critical rural health updates with CRHC members we are excited to share.

**By the numbers:**

Six hundred and nineteen bills were introduced in 120 days, with 450 bills passing. Governor Polis vetoed 12 bills, a new personal record for him, beating his 2025 record of 11 vetoes.

CRHC tracked 93 bills, with the PLC and CRHC Board voting to take positions on 28 bills, including 12 support, 5 oppose, 9 monitor, 1 amend and 1 neutral. **An exciting 100% of the bills CRHC supported passed, and 100% of the bills CRHC opposed failed!**

To achieve our desired bill outcomes and support our policy priorities, CRHC hosted our annual Policy Priorities meeting, crafted a 2026 CRHC Policy Priorities Report, hosted 12 PLC meetings amounting to almost 18 hours of member discussion, testified 9 times in committee, secured numerous bill amendments, and continued building countless relationships with Colorado policymakers, department representatives, and partner healthcare organizations. CRHC co-hosted Hospitals on the Hill with our partners at the Colorado Hospital Association and also hosted our first ever Rural Health Clinics on the Hill Day as a part of our Annual Rural Health Conference. Both advocacy days brought together rural healthcare professionals from across the state to meet and interact with legislative leaders during a crucial time, with a combined 45 member attendees and 34 meetings with state legislators.

**Influencing factors:**

The Second Regular Session of the 75th General Assembly was marked by another state budget deficit, preparation for the oncoming impacts of federal H.R. 1, a lame duck Governor,

leadership changes at Colorado's Healthcare Policy & Financing Department, and the 2026 midterm elections.

**H.R. 1**

H.R. 1, often referred to as the "One Big Beautiful Bill Act," is a sweeping federal budget reconciliation law signed by President Trump. Enacted on July 4, 2025, it overhauls several major components of federal spending, taxation, and public benefit programs.

When the federal government passes tax deductions, Colorado instantly applies federal tax deductions and carries federal tax code changes to its state tax system via what is called rolling conformity. H.R. 1 passed on July 4, 2025, and due to Colorado's rolling conformity, it instantly cut Colorado tax collections by around $1.2 billion. This required General Assembly to reconvene for a special session in the summer of 2025 to plug a roughly $750 million hole in the state's FY25-26 budget and set the stage for a difficult FY26-27 budget.

According to NRHA, H.R. 1 generates $58 billion in Medicaid cuts over the next 10 years for rural hospitals and will result in $1.8 million rural residents losing Medicaid coverage by 2034. Colorado's uninsured rate is expected to rise by 3 points, adding an estimated 21,244 uninsured rural residents by 2034. This would mean nearly 100,000 rural Coloradans would be uninsured.

H.R. 1 will impact Colorado's Medicaid program through federal funding cuts, namely to provider taxes that will reduce federal funds by more than $17 million, new work requirements for the expansion population, more frequent eligibility redeterminations and restrictions on retroactive coverage. Also as a result of H.R. 1, states must absorb the cost-shift of providing Supplemental Nutrition Assistance Program ( SNAP), which has been federally funded since the 1960s. Starting in 2027, Colorado will have to pay 10% of the cost of SNAP ($180 million).

These changes will further strain Colorado's state budget, impact provider fees and reimbursements, and necessitate significant state IT system updates and increased staffing for implementation starting in late 2026. While other states' elected officials may raise taxes to account for the additional costs, TABOR prohibits Colorado legislators from raising the money needed to cover the news costs via legislation, instead requiring voter permission for any tax increases.

**FY26-27 Colorado State Budget**

On March 19, 2026, state economists provided the Joint Budget Committee with their final budget briefing before the constitutionally mandated crafting and passage of the Long Bill. Budget staff identified an over $1.5 billion budget shortfall that the JBC and lawmakers would need to address to pass a balanced budget.

The JBC finalized a balanced FY 2026–27 budget package after nearly 6 months of negotiations, complex tradeoffs, and at times contentious deliberations. Most notably related to rural

healthcare, the Long Bill included a 2% across the board Medicaid provider rate cut, with maternity care and NICU rates exempted. Designated Rural Health Clinics (RHCs) are also exempted as their rate structure is not FFS.

**Leadership Changes**

Governor Polis entered the last year of his second term, which was widely characterized as blend of progressive politics and libertarian-leaning views. Polis is also known for his very hands-on approach to policymaking, greatly influencing the legislative branch via vetoes and campaign influence. Lawmakers and lobbyists alike had to work within the strong preferences of the Polis on topics like AI regulation, union voting rights and insurance mandates in order to avoid vetoes.

The Department of Healthcare Policy & Financing (HCPF) also braced for changes, as Executive Director Kim Bimestefer stepped down in late March 2026, following a rumored vote of no-confidence from the Senate. Lawmakers were unhappy with Bimestefer's leadership and HCPF overall as the Medicaid budget has ballooned over the years and instances of misspending came to light. Former Medicaid Director Gretchen Hamner took over as Executive Director, promising to increase transparency and lower department spending.

**2026 CRHC Policy Priorities**

The 2026 CRHC policy priorities were developed through feedback from CRHC members and Board of Directors. Along with the CRHC Mission & Vision, these priorities served as a foundation for the CRHC Policy Program and guided lobbying and advocacy efforts throughout 2026.

CRHC's 2026 Policy Priorities focused on defending members from budget cuts and harmful legislation that would impact the sustainability of member facilities. Among this primarily defensive work, CRHC also had a chance to support a few pieces of proactive legislation.

**Key:**
**Bill title colors: CRHC Support, CRHC Oppose, CRHC Monitor, CRHC Amend,**
**No CRHC Position**
✓ **Bill Passed** ❌ **Bill failed**

# 1. Reimbursement

**HB26-1069 Availability of Emergency Medical Services** allows EMS to be reimbursed for ground transportation to other non-hospital destinations, for treatment provided on the scene of a medical emergency that does not result in transport, and telemedicine evaluations used to prevent transport to a hospital.
**Final Action: Signed into Law**

# 2. Healthcare Access & Affordability

**HB26-1262 Patient Access to Compounded Medical Items** protects the production, distribution, and administration of compounded medical items as permitted by state and federal law.
**Final Action: Signed into Law**

**SB26-178 Health Insurance Affordability Measures** attempts to stabilize the Health Insurance Affordability Enterprise (HIAE) by creating new short-term revenue sources, which funds CO reinsurance program, on-exchange subsidies and Omni Salud by selling bonds, utilizing reserve funds from the Marijuana Tax Cash Fund, and leveraging additional fees on insurance carriers.
**Final Action: Signed into Law**

**HB26-1336 Increase Access to Pharmacy Services** allows pharmacists to "test and treat" children over age 5 for strep, RSV, COVID and flu.
**Final Action: Signed into Law**

**SB26-007 Medical Marijuana Use in Health Facilities** allows terminally ill patients with a medical marijuana prescription to use certain products (non-smoked/vaped) in healthcare facilities.
**Final Action: Signed into Law**

**SB26-066 Regulation of Compounded Weight-Loss Medication** would have placed new requirements on compounded versions of weight-loss medication produced compounding pharmacies.
**Final Action: Postponed Indefinitely**

**HB26-1096 Colorado Medicaid Access to Primary Care Services** would have prohibited HCPF from denying Medicaid members the ability to enter into a Direct Primary Care agreement.
**Final Action: Postponed Indefinitely**

**HB26-1327 Large Employer Worker Health-Care Support** would have leveraged a fee on "large employers" with at least 500 employees enrolled in the Medicaid program. The annual $1200 per employee fee would have been used to support the state Medicaid program.
**Final Action: Postponed Indefinitely**

# 3. Investments in Rural Health Infrastructure & Sustainability

**HB26-1238 Designating Emergency Medical Services Essential Services** deems EMS services as "essential" in the state, permitting EMS agencies to receive state and federal disaster funds.
**Final Action: Signed into Law**

**SB26-042 Revenue Classification Taxpayers Bill of Rights** clarifies that certain revenues, including collections for another government (sales/use tax for jet fuel that goes to Denver) or damage awards are exempt from TABOR, which freed up about ~$45 million for state budget.

**Final Action: Signed into Law**

**SB26-187 Establishing Commission on Medicaid** establishes a 10-member commission of legislators to develop recommendations regarding Medicaid spending, utilization, and administration considering new federal policies.
**Final Action: Signed into Law. The Commission will be meeting during the 2026 interim.**

**HB26-1432 Health-Care Payment Programs** sunsets the Hospital Transformation Program (HTP) and lays groundwork to replace the program and incentive payments with the Hospital Quality Incentive Payment (HQIP) Program.
**Final Action: Signed into Law. Stakeholdering will occur over the interim to develop the new quality program.**

# 4. Regulatory & Administrative Burden

**HB26-1414 Medical Record Requests** limits the amount of money that a healthcare provider can charge at attorney for a medical record request.
**Final Action: Signed into Law**

**SB26-162 Sensitive Test Results in Health Care** would have required a 3-day delay before test results related to cancer could be released to a patient's electronic health record or patient portal, unless requested otherwise.
**Final Action: Postponed Indefinitely**

**HB26-1092 Licensed Midwife Public Health Facility Privileges** would have required public health facilities to grant full medical staff privileges to certified nurse midwives and certified midwives.
**Final Action: Postponed Indefinitely**

**HB26-1267 Limitations on Collection Actions for Medical Debt** would have hindered the ability of hospital to collect payment for services rendered.
**Final Action: Postponed Indefinitely**

# 5. Workforce Development

**HB26-1431 Competency for Occupational Licensure Portability** expands the Occupational Credential Portability Program within DORA, which allows applicants credentialed in other states to work in CO, to applicants credentialed in other countries and grants DORA additional authority in determining credential equivalency.
**Final Action: Postponed Indefinitely**

# 6. HIT, Telehealth, AI

**HB26-1195 Psychotherapy Artificial Intelligence Restrictions** prohibits the use of AI to directly provide therapeutic communication but allows the use of AI for training mental health providers.
**Final Action: Signed into Law**

**HB26-1139 Use of Artificial Intelligence in Health Care** establishes requirements for the use of AI in utilization review (evaluates medical necessity, etc.) and prohibits AI from conducting psychotherapy services.
**Final Action: Signed into Law**

# 7. Social Determinants of Health, Population Health & Chronic Disease Management

**HB26-1024 Raising Age of Voluntary Relinquishment of Child** raises the age of a child who may be voluntarily relinquished from 72 hours to 30 days.
**Final Action: Signed into Law**

# 8. Behavioral Health & Substance Use

**HB26-1002 Provider Participation in Health Insurance** speeds up credentialing of behavioral health providers, addresses "ghost networks," also allows pre-licensed BH providers to be reimbursed by carriers if working under the supervision of a licensed in-network provider.
**Final Action: Signed into Law**

**HB26-1116 Process for People with Behavioral Health Disorder** expands the time a healthcare facility has for follow-up after discharge from a mental health hold facility from 48 hours to 72 hours.
**Final Action: Signed into Law**

**SB26-008 Mental Health Access** would have created an "I Matter" program for Colorado adults and individuals navigating substance abuse.
**Final Action: Postponed Indefinitely**

**Interim CRHC Policy & Advocacy Activities**

Our work doesn't stop just because legislative session is over! While legislation is passed during session, policy priorities, policy solutions and legislative relationships are fostered during the interim. CRHC will engage in a number of policy and advocacy activities during the interim, including Colorado's Rural Health Transformation Program, H.R. 1 implementation, engagement with the new Governor and administration, coalition and partner work, the annual CRHC policy priorities survey, meeting and report, and the development of CRHC policy and advocacy resources, including the Snapshot of Rural Health.