

**First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 25-0887.01 Brita Darling x2241

**HOUSE BILL 25-1297**

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**HOUSE SPONSORSHIP**

**Brown and Gilchrist,**

**SENATE SPONSORSHIP**

**Jodeh,**

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**House Committees**

Health & Human Services  
Finance

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING UPDATES TO THE HEALTH INSURANCE AFFORDABILITY**  
102              **ENTERPRISE TO PROVIDE CONTINUING COVERAGE FOR HEALTH**  
103              **INSURANCE NEEDS IN THE STATE.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

Beginning in 2026, the bill authorizes an increase to the health insurance affordability fee assessed and collected from insurance carriers (carriers) by up to one percentage point to implement and administer the health insurance affordability enterprise (HIAE). The bill includes objectives for the commissioner of insurance (commissioner) to consider

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words or numbers indicate deletions from existing law.

in determining whether to increase the HIAE fee, including, in part, maintaining HIAE programs to achieve a premium reduction in the reinsurance program and to provide subsidies for individuals with low income who purchase insurance on the Colorado health benefit exchange. The commissioner shall notify carriers of the amount of the HIAE fee for the upcoming calendar year.

The bill changes the allocation of the HIAE fee assessed for 2026, dedicating up to 40% each to state-subsidized individual health coverage plans purchased by qualified individuals and to the reinsurance program cash fund, with the remaining revenue allocated for other purposes specified in the bill, including new and emerging health insurance affordability initiatives.

The bill authorizes the enterprise to seek, accept, and expend gifts, grants, or donations for the purposes of the HIAE.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 10-16-1203, **amend**  
3 (12)(c) as follows:

4 **10-16-1203. Definitions.** As used in this part 12, unless the  
5 context otherwise requires:

6 (12) "Qualified individual" means an individual, regardless of  
7 immigration status, who:

8 (c) Is not eligible for the premium tax credit, medicaid, medicare,  
9 or the children's basic health plan; EXCEPT FOR AN INDIVIDUAL WHO IS  
10 ELIGIBLE PURSUANT TO SECTION 25.5-5-201 (6) OR 25.5-8-109 (7).

11 **SECTION 2.** In Colorado Revised Statutes, 10-16-1205, **amend**  
12 (1)(a)(I) introductory **portion** and (2)(d)(I) introductory portion; and **add**  
13 (1)(a.5), (1)(b)(VI), (1)(b)(VII), (2)(d)(IV), (2)(e), and (6) as follows:

14 **10-16-1205. Health insurance affordability fee - special**  
15 **assessment on hospitals - allocation of revenues - report on revenue**  
16 **and expenditures.** (1) (a) (I) Starting in the 2021 calendar year, the  
17 enterprise shall assess and collect from carriers, by July 15 each year, a

1 health insurance affordability fee. EXCEPT AS PROVIDED IN SUBSECTION  
2 (1)(a.5) OF THIS SECTION, the fee amount is based on the following  
3 percentages of premiums collected by the following carriers in the  
4 immediately preceding calendar year on health benefit plans issued in the  
5 state:

6 (a.5) (I) STARTING IN THE 2026 CALENDAR YEAR, IF THE FEDERAL  
7 GOVERNMENT DISCONTINUES OR DECREASES THE ENHANCED FEDERAL  
8 "PATIENT PROTECTION AND AFFORDABLE CARE ACT" SUBSIDIES CREATED  
9 BY THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2,  
10 AND EXTENDED BY THE FEDERAL "INFLATION REDUCTION ACT OF 2022",  
11 PUB.L. 117-169, 136 STAT. 1818 (2022), OR MONEY IS OTHERWISE  
12 INSUFFICIENT, THE ENTERPRISE MAY INCREASE THE HEALTH INSURANCE  
13 AFFORDABILITY FEE BY UP TO ONE PERCENTAGE POINT ABOVE THE  
14 PERCENTAGES SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS SECTION TO THE  
15 EXTENT NECESSARY TO:

16 (A) MAINTAIN THE ENTERPRISE PROGRAMS TO ACHIEVE A  
17 STATEWIDE AVERAGE TWENTY PERCENT PREMIUM REDUCTION IN THE  
18 REINSURANCE PROGRAM, PROVIDE SUBSIDIES FOR INDIVIDUALS WHO  
19 PURCHASE INSURANCE ON THE EXCHANGE AT THE 2026 SUBSIDY LEVELS  
20 RECOMMENDED BY THE BOARD IN 2025, AND PROVIDE COVERAGE FOR  
21 QUALIFIED INDIVIDUALS AT THE 2025 CALENDAR YEAR ENROLLMENT  
22 LEVEL;

23 (B) COVER THE COSTS OF ENSURING COMPLIANCE IN THE  
24 INDIVIDUAL MARKET WITH THE FEDERAL HYDE AMENDMENT OR A SIMILAR  
25 AMENDMENT; AND

26 (C) COVER THE COSTS OF ENSURING THAT COLORADANS HAVE  
27 ACCESS TO LEGALLY PROTECTED HEALTH-CARE ACTIVITY, AS DEFINED IN

1 SECTION 12-30-121 (1)(d).

2 (II) THE COMMISSIONER SHALL NOTIFY CARRIERS OF THE HEALTH  
3 INSURANCE FEE AMOUNT FOR THE CALENDAR YEAR NOT LATER THAN  
4 AUGUST 31, 2025, FOR THE 2026 ASSESSMENT AND, FOR SUBSEQUENT  
5 YEARS, NOT LATER THAN JUNE 1 OF THE YEAR BEFORE THE CALENDAR  
6 YEAR FOR WHICH THE FEE AMOUNT IS ASSESSED.

7 (b) The enterprise shall use the fee, the special assessment on  
8 hospitals, and any other money available in the fund as follows, allocated  
9 in accordance with subsection (2) of this section:

10

11 (VI) TO COVER THE COSTS OF ENSURING COMPLIANCE IN THE  
12 INDIVIDUAL MARKET WITH THE FEDERAL HYDE AMENDMENT OR A SIMILAR  
13 AMENDMENT; AND

14 (VII) TO COVER THE COSTS OF ENSURING COLORADANS HAVE  
15 ACCESS TO LEGALLY PROTECTED HEALTH-CARE ACTIVITIES, AS DEFINED IN  
16 SECTION 12-30-121 (1)(d).

17 (2) (d) (I) The enterprise shall allocate the revenues collected in  
18 2023 ~~and each year thereafter~~ THROUGH 2026, and any other money  
19 deposited in the fund in 2023 ~~and each year thereafter~~ THROUGH 2026, in  
20 the following amounts and order of priority:

21 (IV) FOR THE 2025 AND 2026 CALENDAR YEARS, THE ENTERPRISE  
22 MAY USE A PORTION OF THE REVENUES COLLECTED IN 2025 AND 2026 FOR  
23 THE PURPOSES SPECIFIED IN SUBSECTIONS (1)(b)(VI) AND (1)(b)(VII) OF  
24 THIS SECTION.

25 (e) THE ENTERPRISE SHALL ALLOCATE THE REVENUES ASSESSED  
26 FOR THE 2026 CALENDAR YEAR AND FOR EACH CALENDAR YEAR  
27 THEREAFTER, AND ANY OTHER MONEY DEPOSITED IN THE FUND IN 2026

1 AND EACH YEAR THEREAFTER, IN THE FOLLOWING WAY:

2 (I) UP TO FORTY PERCENT FOR SUBSIDIES FOR STATE-SUBSIDIZED  
3 INDIVIDUAL HEALTH COVERAGE PLANS PURCHASED BY QUALIFIED  
4 INDIVIDUALS;

5 (II) UP TO FORTY PERCENT TO THE REINSURANCE PROGRAM CASH  
6 FUND;

7 (III) UP TO TEN PERCENT TO REDUCE THE COSTS OF INDIVIDUAL  
8 HEALTH PLANS FOR INDIVIDUALS WHO RECEIVE PREMIUM TAX CREDITS ON  
9 THE EXCHANGE;

10 (IV) UP TO THREE AND ONE-HALF PERCENT FOR ACTUAL  
11 ADMINISTRATIVE COSTS AS SET FORTH IN SUBSECTION (1)(b)(IV) OF THIS  
12 SECTION; AND

13 (V) UP TO SIX AND ONE-HALF PERCENT, AND ANY MONEY  
14 REMAINING AFTER THE ALLOCATIONS ARE MADE IN THIS SUBSECTION  
15 (2)(e), THAT THE COMMISSIONER MAY DESIGNATE FOR:

16 (A) ANY ALLOCATION SPECIFIED IN THIS SUBSECTION (2)(e); OR

17 (B) NEW AND EMERGING HEALTH INSURANCE AFFORDABILITY  
18 INITIATIVES, INCLUDING THE PURPOSES SPECIFIED IN SUBSECTIONS  
19 (1)(b)(VI) AND (1)(b)(VII) OF THIS SECTION AND HEALTH INSURANCE  
20 AFFORDABILITY CASH FUND RESERVES.

21 (6) BEGINNING JANUARY 15, 2026, AND NOT LATER THAN  
22 JANUARY 15 EACH YEAR THEREAFTER, THE COMMISSIONER SHALL REPORT  
23 ANNUALLY TO THE BOARD AND TO THE HOUSE OF REPRESENTATIVES  
24 HEALTH AND HUMAN SERVICES COMMITTEE AND THE SENATE HEALTH AND  
25 HUMAN SERVICES COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, AND TO  
26 THE JOINT BUDGET COMMITTEE CONCERNING THE REVENUE AND  
27 EXPENDITURES OF THE ENTERPRISE, BY ENTERPRISE PROGRAM.

1           **SECTION 3.** In Colorado Revised Statutes, 10-16-1206, **amend**  
2 (1)(f) and (1)(g); and **add** (1)(h) as follows:

3           **10-16-1206. Health insurance affordability cash fund -**  
4 **creation - repeal.** (1) There is created in the state treasury the health  
5 insurance affordability cash fund. The fund consists of:

6           (f) All interest and income derived from the deposit and  
7 investment of money in the fund; ~~and~~

8           (g) The federal share of the medical assistance payments received  
9 pursuant to section 25.5-4-503 (2); AND

10           (h) GIFTS, GRANTS, OR DONATIONS RECEIVED FROM PRIVATE OR  
11 PUBLIC SOURCES FOR THE OPERATION, RESERVES, AND SUSTAINABILITY OF  
12 THE ENTERPRISE.

13           **SECTION 4.** In Colorado Revised Statutes, 10-16-1207, **add**  
14 (4)(e) and (4.5) as follows:

15           **10-16-1207. Health insurance affordability board - creation -**  
16 **membership - powers and duties - subject to open meetings and**  
17 **public records laws - commissioner rules.** (4) The board is authorized  
18 to:

19           (e) SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS  
20 FROM PRIVATE OR PUBLIC SOURCES FOR THE OPERATION, RESERVES, AND  
21 SUSTAINABILITY OF THE ENTERPRISE. THE ENTERPRISE SHALL CONSIDER  
22 THE FEASIBILITY OF ALLOCATING GIFTS, GRANTS, OR DONATIONS RECEIVED  
23 FROM SPECIFIC LOCALITIES OR DIRECTED TO SPECIFIC LOCALITIES TO BE  
24 USED ONLY IN THOSE LOCALITIES.

25           (4.5) AT LEAST ANNUALLY, THE BOARD SHALL SEEK FORMAL INPUT  
26 FROM INDIVIDUALS DIRECTLY IMPACTED BY PROGRAMS FUNDED BY THE  
27 ENTERPRISE IN ORDER TO UNDERSTAND THE IMPACT OF THE PROGRAMS

1 AND OPPORTUNITIES FOR IMPROVEMENT OF THE PROGRAMS.

2           **SECTION 5. Safety clause.** The general assembly finds,  
3 determines, and declares that this act is necessary for the immediate  
4 preservation of the public peace, health, or safety or for appropriations for  
5 the support and maintenance of the departments of the state and state  
6 institutions.