



Legislative Session Recap

2025

CHA started the 2025 Legislative Session with an agenda focused on two key areas: **Medicaid optimization and accountability**, and **hospital sustainability and patient care**.

Medicaid Optimization and Accountability

RAC – Colorado’s Recovery Audit Contractor (RAC) program had become the most onerous in the country. Through **SB 25-314**, championed by the powerful Joint Budget Committee, CHA made progress restoring the RAC program to its factory settings – decreasing the lookback period from seven to four years, enforcing an audit volume limit of 3.3%, and more.

CHASE Fee – CHA recognized an opportunity for the state to secure additional funding for Medicaid providers by creating a new State Directed Payments program. The Association secured the support of the Polis administration and the CHASE Board, and a work group was established to begin the work required to submit an application to CMS for approval. CHA successfully amended a bill to allow a funding mechanism for the state directed payment, laying the groundwork for the program.

Medicaid Enrollment/Safety Net – Declines in Medicaid coverage are putting Colorado’s patients and health care safety net at risk. To bolster the statewide safety net, CHA – as part of the **Save Our Safety Net** coalition – championed **SB 25-290** that creates a fund combining state dollars, contributions from Colorado hospitals and other corporate donors, as well as federal matching money. These funds will be available to support safety net providers beginning this year.



Hospital Sustainability and Patient Care

340B – Hailed early on as “the fight of the session,” 340B dominated conversations at the capitol. CHA’s bill (**SB 25-071**) helps stop a nationwide effort from Big Pharma to weaken the program by limiting the number of pharmacies with which 340B entities can contract. The legislation also adds transparency and accountability requirements. CHA worked to help the sponsors understand how impossible some of the reporting requirements in **SB 25-124** were for hospitals. In the end, the bill, which was championed by Big Pharma, was laid over – killing the bill.

Rural Regulatory Relief – County-owned hospitals have been governed by a set of stringent rules that do not reflect the modern reality of rural hospitals. CHA championed **HB 25-1085** to modernize the rules for county-owned hospital boards.

Hospitals Answered CHA’s Call:

Between the 340B and rate setting campaigns, advocates sent 2,740 messages to legislators:



1,648



822

Other Issues

Rate Setting – In an effort to free up General Fund dollars to support the safety net, the House considered **HB 25-1174**. This bill would have capped reimbursements to hospitals for the State Employee Health Plan and the small group market, shifting costs to other payers. Following strong advocacy from the hospital community about the policy's many flaws, **HB 25-1174** did not advance.



Workplace Violence – The legislature passed **SB 25-166** that adds a workplace violence performance metric to HQIP and directs HCPF to work with stakeholders to address workplace violence.

Business Practices

Building Regulations – Legislators also updated the state's building decarbonization measures through **HB 25-1269**, creating an enterprise to collect funds from large building owners and redistribute them to organizations that need help complying with the decarbonization measures. CHA successfully amended the bill to address concerns with the language, and it passed in the last days of session.

Market Practices – A bill under consideration (**SB 25-198**) would have expanded the Attorney General's authority to review health care mergers and acquisitions. After careful negotiations, CHA agreed to interim work with the the bill sponsor and the AG's office, and the bill was postponed indefinitely by its sponsor. The legislature also passed a bill (**SB 25-083**) to limit the use of noncompete clauses in physician employment contracts. CHA amended the bill, and a less harmful version was passed.

EMTALA – Due to concerns of EMTALA being repealed at the federal level, the General Assembly codified it in state law through **SB 25-130**. The original bill draft would have added reporting requirements and was misaligned with existing federal law. Following CHA's advocacy, the bill was amended to mirror federal law and passed.

Immigration – The legislature passed **SB 25-276** that ensures protected personal information remains private, including immigration status. Hospitals are committed to protecting patient privacy and being compliant with existing laws while ensuring that patients, regardless of immigration status, receive the care that they need.

Labor Peace Act – The legislature took up a bill to update the Colorado Labor Peace Act (**SB 25-005**) that would eliminate the second vote required to unionize and make dues payments mandatory. Despite ongoing negotiations and several concessions from the business community, organized labor and employers were unable to strike a compromise and the legislature passed the bill.

Budget

The state's \$1.5 billion budget shortfall was the storm cloud hanging over the 2025 session, putting hospitals at risk of losing critical Medicaid funds. Thanks to strong advocacy, CHA guarded against the potential diversion of \$53 million from the CHASE enterprise and secured a 1.6% provider rate increase in a year when cuts were a serious possibility.

Drastic changes at the federal level are cause for further budgetary concern, and CHA pointed to the Medicaid reforms Congress is considering as another reason hospitals cannot sustain further cuts.



Participants advocating at the capitol during Colorado Hospital and Rural Health Clinic Day on the Hill