

Exploring H.R. 1's Impacts on Colorado's Hospital Provider Fee



Federal changes under H.R. 1 will significantly shrink Colorado's Medicaid financing tools starting in 2028 — and the state has a limited window to plan before the cuts hit.

H.R. 1 freezes new/increased provider fees and phases the safe-harbor threshold down from 6% to 3.5% of net patient revenue between 2028–32.

If Colorado does not replace the hospital provider fee revenue serving as non-federal share, then cumulative cuts over five years will add up to \$11 billion in federal fund reductions in Colorado.

\$900M–\$2.5B Annual Loss

A 2025 HCPF analysis projects annual losses of \$900 million to \$2.5 billion in federal funds.

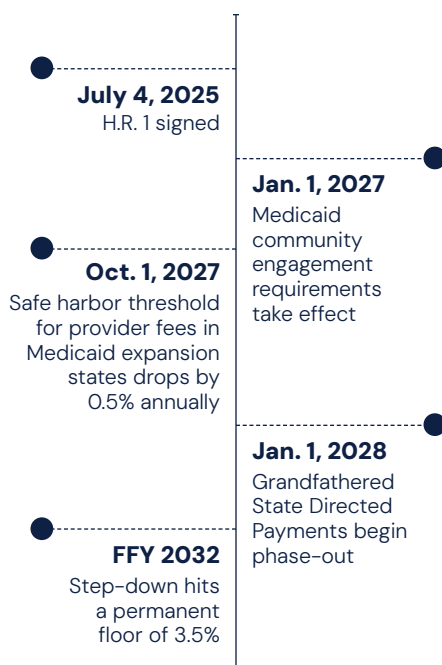
95,000–108,000 Coloradans at Risk

Estimated number of Colorado adults who could lose Medicaid coverage from H.R. 1's work-requirement provision alone.

Safe Harbor Step-Down

2028	5.5%
2029	5.0%
2030	4.5%
2031	4.0%
2032	3.5%

H.R. 1 Rollout Timeline



State directed payments will be capped at Medicare rates by 2028, with grandfathered arrangements phased down 10 points annually starting 2028.

Between 2025 and full implementation in 2032, there will be four federal elections — meaning policy could still shift, but Colorado must plan for current law.

Policymakers should seek a nuanced solution that preserves a hospital provider fee program capable of funding both hospital supplemental payments and meaningful Medicaid coverage for as many Coloradans as possible.

Learn more and read the full report at
cha.com/issues/hospital-provider-fee-report