



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-183: COVERAGE FOR PREGNANCY-RELATED SERVICES

Prime Sponsors:

Sen. Rodriguez; Daugherty
Rep. Garcia; McCluskie

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Published for: Bill Draft

Drafting number: LLS 25-0289

Version: Initial Fiscal Note

Date: March 3, 2025

Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill requires the Department of Health Care Policy and Financing to cover abortion care services for Medicaid and Child Health Plan Plus program participants using state funds, and for public employee insurance plans to cover abortion care services for plan members. It also makes conforming amendments to codify Amendment 79 into state law.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures
- Local Government

Appropriations. For FY 2025-26, the bill requires an increase in General Fund appropriations of \$1.5 million and a decrease in cash and federal fund appropriations of \$1.8 million to the Department of Health Care Policy and Financing.

**Table 1
State Fiscal Impacts**

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	-\$81,551	-\$367,802
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

¹ Fund sources for these impacts are shown in the tables below.

**Table 1A
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$1,476,896	\$2,953,791
Cash Funds	-\$41,650	-\$83,300
Federal Funds	-\$1,721,497	-\$3,442,993
Centrally Appropriated	\$204,700	\$204,700
Total Expenditures	-\$81,551	-\$367,802
Total FTE	0.0 FTE	0.0 FTE

Summary of Legislation

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 The amendment also repealed a Colorado constitutional prohibition on the use of public funds for abortion care services.

The bill makes conforming changes to state law to codify Amendment 79 by striking references to the repealed constitutional prohibition on the use of public funds for abortion care.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 employers 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 (CHP+) administered by the Department of Health Care Policy and Financing (HCPF), and requires that all services be reimbursed with state funds only.

Finally, the bill removes an obsolete requirement for the state to seek a determination from the federal government on whether state defrayal of costs for abortion care provided through individual and small group plans is required. The state submitted this request and the federal government determined that state defrayal is not required.

Background

Currently, HCPF only reimburses abortion care services in cases of rape, incest, and life endangerment, as required by federal law. Insurance plans for state and local government employees in Colorado do not currently cover abortion care services.

In 2023, an actuarial analysis of the impact of mandating abortion care coverage on health benefit plans in Colorado was conducted by an independent contractor pursuant to Senate Bill 22-040. The report may be obtained in its entirety on the [Division of Insurance website](#).

Data and Assumptions

Public Health Insurance

The fiscal note estimates abortion care services that will be utilized by Medicaid and CHP+ members, as well as averted births, by using the following data and assumptions.

Abortion Care

- **Enrollment.** Based on HCPF enrollment projections, about 333,330 females aged 15 to 44 will be enrolled in Medicaid or CHP+ in FY 2025-26. This population is held constant for all years in this analysis.
- **Utilization rates.** Based on the actuarial analysis cited in the Background section above, it is assumed that:
 - 1.67 percent of Medicaid/CHP+ members of childbearing age will seek abortion care services each year; and, of those
 - 50.4 percent of abortions will be performed procedurally, and 49.6 percent will be medication abortions.
- **Cost.** Abortion procedures are assumed to be reimbursed at a rate of \$1,300, and medication abortions are assumed to be reimbursed at a rate of \$800.
- **Payer source.** It is assumed that 100 percent of the utilization increase will be funded through the state-funded program, as it is a stable and easily billed revenue source for clinics and providers compared to other funding sources.

Averted Births

Covering the cost of abortion care through Medicaid/CHP+ is also expected to increase the number of averted births by 30 percent of the assumed utilization outlined above. This represents the number of pregnancies that would have gone to term without access to abortion care through public health insurance. This is based on a [small study from Louisiana](#), which was the only relevant research available measuring the number of Medicaid-eligible adults who would seek an abortion if covered, but could not otherwise pay out-of-pocket for the care.

The fiscal note assumes the average reimbursement cost for labor and delivery is \$3,850. Reimbursement costs for labor and delivery are funded by the General Fund, the Healthcare Affordability and Sustainability Fee (HAS) Cash Fund, and federal funds, with splits depending on coverage type: 50/50 General Fund and federal funds for Medicaid clients, and 65 percent federal funds, 19 percent HAS Cash Fund, and 16 percent General Fund for CHP+ clients.

Federally Funded Abortions

The bill mandates that all abortion care services be reimbursed exclusively with state funds, thereby shifting the cost of existing federally approved abortions to state funding. Since fewer than 20 abortions per year qualify for federal funding, this impact is assumed to be minimal.

State Employee Health Insurance

The fiscal note also relies on the actuarial analysis referenced in the Background section to estimate the cost of adding abortion care to the state employee health insurance benefit.

The fiscal note assumes that any savings to the state employee health insurance plan from averted births is minimal, as state employees are assumed to have otherwise paid out-of-pocket for abortion care services prior to the passage of this bill.

Potential Cost Savings

Medicaid-covered births typically involve additional social safety net impacts for the child, whereas abortion care services represent a one-time expenditure. These impacts have not been addressed in this fiscal note.

State Expenditures

On net, the bill is expected to decrease state expenditures by a relatively small amount, but will shift certain costs to the General Fund, as outlined in Table 2 and discussed below.

Table 2
State Expenditures by Cost Component¹

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
HCPF Abortion Services – State-Funded	\$2,928,800	\$5,857,600
HCPF Averted Births – Medicaid/CHP+ Funded	-\$3,215,051	-\$6,430,102
State Employee Abortion Services – Centrally Appropriated	\$204,700	\$204,700
Total Expenditures	-\$81,551	-\$367,802

¹ See Table 1A for fund sources.

Department of Health Care Policy and Financing

On net, the bill will decrease costs for HCPF by about \$286,000 in FY 2025-26 and \$573,000 in FY 2026-27 and ongoing. These impacts are the net result of increased costs for abortion services and decreased costs from averted births. In the first full implementation year (FY 2026-27), costs for abortion services are estimated to be \$5.9 million, while cost savings for averted births are estimated to be \$6.4 million. Because the bill requires all abortion services to be state-funded, it will shift costs to the General Fund and decrease the use of cash and federal funds.

State Employee Health Insurance

The bill will increase net costs for state employee health insurance across all agencies by an estimated \$205,000 per year. This estimate assumes that the increase in monthly medical premiums from expanded abortion care service coverage will be paid entirely by the state, and average \$0.52 per member per month, which represents a 0.041 percent impact to the Health, Life, and Dental lines for all agencies. It is assumed that this cost will be addressed through the Total Compensation analysis and centrally appropriated to state agencies through the annual budget process. First-year costs assume a full year of coverage in FY 2025-26.

Local Government

Similar to the state, the bill will increase costs for local government employers to cover abortion care services for employees as part of their health insurance plans.

Effective Date

The bill takes effect January 1, 2026.

State Appropriations

For FY 2025-26, the bill requires the following appropriations to the Department of Health Care Policy and Financing:

- an increase of \$1,476,896 from the General Fund;
- a decrease of \$41,650 from the Healthcare Affordability and Sustainability Fee Cash Fund; and
- a decrease of \$1,721,497 from federal funds.

State and Local Government Contacts

Health Care Policy and Financing

Personnel and Administration

Law

Regulatory Agencies

Public Health and Environment

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).