

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

PREAMENDED

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

LLS NO. 14-0682.01 Kristen Forrestal x4217

SENATE BILL 14-050

SENATE SPONSORSHIP

Aguilar,

HOUSE SPONSORSHIP

Moreno,

Senate Committees

Health & Human Services
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING FINANCIAL ASSISTANCE IN COLORADO HOSPITALS, AND,**
102 **IN CONNECTION THEREWITH, MAKING AND REDUCING**
103 **APPROPRIATIONS.**

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://www.leg.state.co.us/billsummaries>.)

Current law requires each hospital to make information regarding financial assistance available to each patient. The bill specifies the information that must be included.

Current law requires hospitals to limit the amounts charged to

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

uninsured qualified patients to the lowest negotiated rate from a private health plan. The bill changes that limit for patients who fall below 400% of the federal poverty line to the medicare reimbursement rate plus 20%.

The bill requires the department of public health and environment to promulgate rules and to evaluate each hospital for compliance at the time of licensing and license renewal.

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

2 **SECTION 1. In Colorado Revised Statutes, 25-3-112, amend (1)**
3 **(d); and add (3.5), (3.7), (4) (c), (7), and (8) as follows:**

4 **25-3-112. Hospitals - charity care information - charges for**
5 **the uninsured - reports to department - department review -**
6 **collections protection - hospital financial assistance standards**
7 **committee established - rules.** (1) Each hospital shall make information
8 available to each patient about the hospital's financial assistance, charity
9 care, and payment plan policies. Each hospital shall communicate this
10 information in a clear and understandable manner and in languages
11 appropriate to the communities and patients the hospital serves. The
12 hospital shall:

13 (d) Include the information in each patient's billing statement
14 INFORM EACH PATIENT ON EACH BILLING STATEMENT OF HIS OR HER
15 RIGHTS PURSUANT TO THIS SECTION AND THAT FINANCIAL ASSISTANCE OR
16 CHARITY CARE MAY BE AVAILABLE AND, WHERE APPLICABLE, PROVIDE THE
17 WEB SITE, E-MAIL ADDRESS, AND TELEPHONE NUMBER WHERE THE
18 INFORMATION MAY BE OBTAINED.

19 (3.5) IF A HOSPITAL DISCOVERS AN OMISSION OF REQUIRED
20 INFORMATION, INCORRECT BILLING, OR OTHER NONCOMPLIANCE WITH THIS
21 SECTION BY THE HOSPITAL, THE HOSPITAL SHALL CORRECT THE ERROR OR
22 OMISSION, INFORM THE PATIENT, AND PROVIDE A FINANCIAL CORRECTION

1 CONSISTENT WITH THIS SECTION TO THE PERSONS AFFECTED BY THE ERROR
2 OR OMISSION. THE HOSPITAL SHALL INFORM THE DEPARTMENT OF THE
3 ERRORS, OMISSIONS, AND CORRECTIVE ACTIONS TAKEN BY THE HOSPITAL
4 IN THE SAME MANNER, TIME PERIOD, AND FORM AS THE REPORTS REQUIRED
5 IN SECTION 25-1-124; EXCEPT THAT THE REPORTS MADE PURSUANT TO
6 THIS SECTION (3.5) SHALL BE MADE AVAILABLE TO THE PUBLIC UPON
7 REQUEST.

8 (3.7) (a) IF THE DEPARTMENT RECEIVES A VALID COMPLAINT
9 REGARDING A HOSPITAL'S COMPLIANCE WITH THIS SECTION, THE
10 DEPARTMENT MAY CONDUCT A REVIEW. IN ADDITION, THE DEPARTMENT
11 SHALL PERIODICALLY REVIEW HOSPITALS TO ENSURE COMPLIANCE WITH
12 THIS SECTION.

13 (b) IF THE DEPARTMENT FINDS THAT A HOSPITAL IS NOT IN
14 COMPLIANCE WITH THIS SECTION, INCLUDING THE RULES ADOPTED
15 PURSUANT TO PARAGRAPH (c) OF SUBSECTION (7) OF THIS SECTION, THE
16 DEPARTMENT SHALL NOTIFY THE HOSPITAL, AND THE HOSPITAL HAS
17 NINETY DAYS TO FILE WITH THE DEPARTMENT A CORRECTIVE ACTION PLAN
18 THAT INCLUDES MEASURES TO INFORM THE PATIENT OR PATIENTS, AND
19 PROVIDE A FINANCIAL CORRECTION CONSISTENT WITH THIS SECTION TO
20 THE PERSONS AFFECTED BY THE NONCOMPLIANCE. A HOSPITAL MAY
21 REQUEST UP TO ONE HUNDRED TWENTY DAYS TO SUBMIT A CORRECTIVE
22 ACTION PLAN IF NECESSARY. THE DEPARTMENT MAY REQUIRE A HOSPITAL
23 THAT IS NOT IN COMPLIANCE WITH THIS SECTION, OR WITH RULES ADOPTED
24 PURSUANT TO PARAGRAPH (c) OF SUBSECTION (7) OF THIS SECTION, TO
25 DEVELOP AND OPERATE UNDER A CORRECTIVE ACTION PLAN UNTIL THE
26 HOSPITAL IS IN COMPLIANCE.

27 (c) IF A HOSPITAL'S NONCOMPLIANCE WITH THIS SECTION IS

1 DETERMINED BY THE DEPARTMENT TO BE KNOWING OR WILLFUL, THE
2 DEPARTMENT MAY FINE THE HOSPITAL UP TO FIVE THOUSAND DOLLARS. IN
3 ADDITION, IF THE HOSPITAL FAILS TO TAKE CORRECTIVE ACTION OR FAILS
4 TO FILE A CORRECTIVE ACTION PLAN WITH THE DEPARTMENT WITHIN
5 NINETY DAYS, OR UP TO ONE HUNDRED TWENTY DAYS IF APPROVED BY THE
6 DEPARTMENT, THE DEPARTMENT MAY FINE THE HOSPITAL UP TO FIVE
7 THOUSAND ADDITIONAL DOLLARS. THE DEPARTMENT SHALL CONSIDER THE
8 SIZE OF THE HOSPITAL AND THE SERIOUSNESS OF THE VIOLATION IN
9 SETTING THE FINE AMOUNT.

10 (4) (c) A HOSPITAL SHALL NOT INITIATE COLLECTIONS
11 PROCEEDINGS ONCE THE HOSPITAL IS NOTIFIED THAT IT MUST SUBMIT A
12 CORRECTIVE ACTION PLAN OR WHEN THE HOSPITAL IS OPERATING
13 PURSUANT TO A CORRECTIVE ACTION PLAN PURSUANT TO SUBSECTION
14 (3.7) OF THIS SECTION.

15 (7) (a) THERE IS HEREBY ESTABLISHED, IN THE DEPARTMENT, THE
16 HOSPITAL FINANCIAL ASSISTANCE STANDARDS COMMITTEE. THE
17 COMMITTEE CONSISTS OF THE FOLLOWING MEMBERS:

18 (I) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OR HIS OR HER
19 DESIGNEE;

20 (II) THE PRIME SPONSORS OF SENATE BILL 14-050, ENACTED IN
21 2014;

22 (III) THREE REPRESENTATIVES OF COLORADO HOSPITALS, ONE
23 WHO REPRESENTS COLORADO HOSPITALS, ONE WHO REPRESENTS URBAN
24 HOSPITALS, AND ONE WHO REPRESENTS RURAL HOSPITALS, JOINTLY
25 APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE
26 PRESIDENT OF THE SENATE WITHIN THIRTY DAYS AFTER THE EFFECTIVE
27 DATE OF THIS SUBSECTION (7);

1 (IV) THREE REPRESENTATIVES OF ORGANIZATIONS THAT
2 REPRESENT CONSUMERS, JOINTLY APPOINTED BY THE SPEAKER OF THE
3 HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE WITHIN
4 THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (7); AND

5 (V) ONE MEMBER JOINTLY APPOINTED BY THE MINORITY LEADERS
6 OF THE SENATE AND THE HOUSE OF REPRESENTATIVES.

7 (b) THE COMMITTEE SHALL:

8 (I) HOLD ITS FIRST MEETING WITHIN SIXTY DAYS AFTER THE
9 EFFECTIVE DATE OF THIS SUBSECTION (7);

10 (II) DEVELOP RECOMMENDATIONS FOR UNIFORM STANDARDS FOR
11 THE CONSISTENT IMPLEMENTATION OF THIS SECTION AT ALL COLORADO
12 HOSPITALS; AND

13 (III) SUBMIT THE RECOMMENDATIONS FOR UNIFORM STANDARDS
14 TO THE STATE BOARD OF HEALTH WITHIN ONE HUNDRED TWENTY DAYS
15 AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (7).

16 (c) THE STATE BOARD OF HEALTH SHALL ADOPT BY RULE THE
17 RECOMMENDATIONS FOR UNIFORM STANDARDS MADE BY THE HOSPITAL
18 FINANCIAL ASSISTANCE STANDARDS COMMITTEE TO EVALUATE WHETHER
19 A HOSPITAL IS IN COMPLIANCE WITH THIS SECTION.

20 (8) THE DEPARTMENT SHALL MAKE INFORMATION AVAILABLE
21 REGARDING ANY CORRECTIVE ACTIONS FOR WHICH FINES WERE IMPOSED
22 PURSUANT TO THIS SECTION. ANY INFORMATION REGARDING THE LOWEST
23 NEGOTIATED RATE PROVIDED TO THE DEPARTMENT PURSUANT TO THIS
24 SECTION IS CONFIDENTIAL AND NOT A PUBLIC RECORD.

25 **SECTION 2. Appropriation - adjustments to 2014 long bill.**

26 (1) For the implementation of this act, the general fund appropriation
27 made in the annual general appropriation act to the controlled

1 maintenance trust fund created in section 24-75-302.5 (2) (a), Colorado
2 Revised Statutes, for the fiscal year beginning July 1, 2014, is decreased
3 by \$49,161.

4 (2) In addition to any other appropriation, there is hereby
5 appropriated, out of any moneys in the general fund not otherwise
6 appropriated, to the department of public health and environment, for the
7 fiscal year beginning July 1, 2014, the sum of \$49,161 and 0.8 FTE, or so
8 much thereof as may be necessary, for allocation to the health facilities
9 and emergency medical services division for expenses related to the
10 hospital financial assistance standards committee related to the
11 implementation of this act.

12 **SECTION 3. Act subject to petition - effective date.** This act
13 takes effect at 12:01 a.m. on the day following the expiration of the
14 ninety-day period after final adjournment of the general assembly (August
15 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a
16 referendum petition is filed pursuant to section 1 (3) of article V of the
17 state constitution against this act or an item, section, or part of this act
18 within such period, then the act, item, section, or part will not take effect
19 unless approved by the people at the general election to be held in
20 November 2014 and, in such case, will take effect on the date of the
21 official declaration of the vote thereon by the governor.