

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

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.

SENATE
Amended 2nd Reading
April 11, 2014

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 AND FORM AS THE REPORTS REQUIRED IN SECTION
5 25-1-124. THE DEPARTMENT SHALL NOT INVESTIGATE A HOSPITAL
6 BECAUSE THAT HOSPITAL HAS CORRECTED AN ERROR, OMISSION, OR
7 NONCOMPLIANCE WITH THIS SECTION, UNLESS THERE IS GOOD CAUSE TO
8 OPEN AN INVESTIGATION. IF THE DEPARTMENT INVESTIGATES A
9 SELF-REPORTED INCIDENT, THE DEPARTMENT SHALL INVESTIGATE,
10 DOCUMENT, AND IDENTIFY THE SELF-REPORTED ERRORS, OMISSIONS, OR
11 NONCOMPLIANCE RELATED TO THIS SECTION AS A SELF-REPORTED
12 INCIDENT INVESTIGATION, AND NOT AS A COMPLAINT INVESTIGATION. THE
13 DEPARTMENT SHALL MAKE INFORMATION CONCERNING INVESTIGATIONS
14 AND COMPLAINTS AVAILABLE TO THE PUBLIC IN THE SAME MANNER AS
15 SECTION 25-1-124 (6) AND (7). THE DEPARTMENT SHALL MAKE HOSPITAL
16 SELF-REPORTED INCIDENTS SUBMITTED TO THE DEPARTMENT PURSUANT
17 TO THIS SECTION AVAILABLE TO THE PUBLIC UPON REQUEST.

18 (3.7) (a) IF THE DEPARTMENT RECEIVES A VALID COMPLAINT
19 REGARDING A HOSPITAL'S COMPLIANCE WITH THIS SECTION, THE
20 DEPARTMENT MAY CONDUCT A REVIEW. IN ADDITION, THE DEPARTMENT
21 SHALL PERIODICALLY REVIEW HOSPITALS TO ENSURE COMPLIANCE WITH
22 THIS SECTION.

23 (b) IF THE DEPARTMENT FINDS THAT A HOSPITAL IS NOT IN
24 COMPLIANCE WITH THIS SECTION, INCLUDING THE RULES ADOPTED
25 PURSUANT TO PARAGRAPH (c) OF SUBSECTION (7) OF THIS SECTION, THE
26 DEPARTMENT SHALL NOTIFY THE HOSPITAL, AND THE HOSPITAL HAS
27 NINETY DAYS TO FILE WITH THE DEPARTMENT A CORRECTIVE ACTION PLAN

1 THAT INCLUDES MEASURES TO INFORM THE PATIENT OR PATIENTS, AND
2 PROVIDE A FINANCIAL CORRECTION CONSISTENT WITH THIS SECTION TO
3 THE PERSONS AFFECTED BY THE NONCOMPLIANCE. A HOSPITAL MAY
4 REQUEST UP TO ONE HUNDRED TWENTY DAYS TO SUBMIT A CORRECTIVE
5 ACTION PLAN IF NECESSARY. THE DEPARTMENT MAY REQUIRE A HOSPITAL
6 THAT IS NOT IN COMPLIANCE WITH THIS SECTION, OR WITH RULES ADOPTED
7 PURSUANT TO PARAGRAPH (c) OF SUBSECTION (7) OF THIS SECTION, TO
8 DEVELOP AND OPERATE UNDER A CORRECTIVE ACTION PLAN UNTIL THE
9 HOSPITAL IS IN COMPLIANCE.

10 (c) IF A HOSPITAL'S NONCOMPLIANCE WITH THIS SECTION IS
11 DETERMINED BY THE DEPARTMENT TO BE KNOWING OR WILLFUL, THE
12 DEPARTMENT MAY FINE THE HOSPITAL UP TO FIVE THOUSAND DOLLARS. IN
13 ADDITION, IF THE HOSPITAL FAILS TO TAKE CORRECTIVE ACTION OR FAILS
14 TO FILE A CORRECTIVE ACTION PLAN WITH THE DEPARTMENT WITHIN
15 NINETY DAYS, OR UP TO ONE HUNDRED TWENTY DAYS IF APPROVED BY THE
16 DEPARTMENT, THE DEPARTMENT MAY FINE THE HOSPITAL UP TO FIVE
17 THOUSAND ADDITIONAL DOLLARS. THE DEPARTMENT SHALL CONSIDER THE
18 SIZE OF THE HOSPITAL AND THE SERIOUSNESS OF THE VIOLATION IN
19 SETTING THE FINE AMOUNT.

20 (4) (c) A HOSPITAL SHALL NOT INITIATE COLLECTIONS
21 PROCEEDINGS ONCE THE HOSPITAL IS NOTIFIED THAT IT MUST SUBMIT A
22 CORRECTIVE ACTION PLAN OR WHEN THE HOSPITAL IS OPERATING
23 PURSUANT TO A CORRECTIVE ACTION PLAN PURSUANT TO SUBSECTION
24 (3.7) OF THIS SECTION.

25 (7) (a) THERE IS HEREBY ESTABLISHED, IN THE DEPARTMENT, THE
26 HOSPITAL FINANCIAL ASSISTANCE STANDARDS COMMITTEE. THE
27 COMMITTEE CONSISTS OF THE FOLLOWING MEMBERS:

1 (I) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OR HIS OR HER
2 DESIGNEE;

3 (II) THE PRIME SPONSORS OF SENATE BILL 14-050, ENACTED IN
4 2014;

5 (III) THREE REPRESENTATIVES OF COLORADO HOSPITALS, ONE
6 WHO REPRESENTS COLORADO HOSPITALS, ONE WHO REPRESENTS URBAN
7 HOSPITALS, AND ONE WHO REPRESENTS RURAL HOSPITALS, JOINTLY
8 APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE
9 PRESIDENT OF THE SENATE WITHIN THIRTY DAYS AFTER THE EFFECTIVE
10 DATE OF THIS SUBSECTION (7);

11 (IV) THREE REPRESENTATIVES OF ORGANIZATIONS THAT
12 REPRESENT CONSUMERS, JOINTLY APPOINTED BY THE SPEAKER OF THE
13 HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE WITHIN
14 THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (7); AND

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

17 (b) THE COMMITTEE SHALL:

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

20 (II) DEVELOP RECOMMENDATIONS FOR UNIFORM STANDARDS FOR
21 THE CONSISTENT IMPLEMENTATION OF THIS SECTION AT ALL COLORADO
22 HOSPITALS; AND

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

26 (c) THE STATE BOARD OF HEALTH SHALL ADOPT BY RULE THE
27 RECOMMENDATIONS FOR UNIFORM STANDARDS MADE BY THE HOSPITAL

1 FINANCIAL ASSISTANCE STANDARDS COMMITTEE TO EVALUATE WHETHER
2 A HOSPITAL IS IN COMPLIANCE WITH THIS SECTION.

3 (8) THE DEPARTMENT SHALL MAKE INFORMATION AVAILABLE
4 REGARDING ANY CORRECTIVE ACTIONS FOR WHICH FINES WERE IMPOSED
5 PURSUANT TO THIS SECTION. ANY INFORMATION REGARDING THE LOWEST
6 NEGOTIATED RATE PROVIDED TO THE DEPARTMENT PURSUANT TO THIS
7 SECTION IS CONFIDENTIAL AND NOT A PUBLIC RECORD.

8 (9) NOTHING IN THIS SECTION AFFECTS A LICENSE ISSUED TO A
9 HOSPITAL PURSUANT TO SECTION 25-3-101. THE DEPARTMENT SHALL NOT
10 CHARGE A HOSPITAL AN ADDITIONAL LICENSE FEE FOR COSTS ASSOCIATED
11 WITH THIS SECTION.

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

13 (1) For the implementation of this act, the general fund appropriation
14 made in the annual general appropriation act to the controlled
15 maintenance trust fund created in section 24-75-302.5 (2) (a), Colorado
16 Revised Statutes, for the fiscal year beginning July 1, 2014, is decreased
17 by \$49,161.

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

26 **SECTION 3. Act subject to petition - effective date.** This act
27 takes effect at 12:01 a.m. on the day following the expiration of the

1 ninety-day period after final adjournment of the general assembly (August
2 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a
3 referendum petition is filed pursuant to section 1 (3) of article V of the
4 state constitution against this act or an item, section, or part of this act
5 within such period, then the act, item, section, or part will not take effect
6 unless approved by the people at the general election to be held in
7 November 2014 and, in such case, will take effect on the date of the
8 official declaration of the vote thereon by the governor.