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SENATE BILL 14-050

BY SENATOR(S) Aguilar, Guzman, Heath, Hodge, Jones, Kefalas, Nicholson, Schwartz, Steadman, Ulibarri, Carroll;
also REPRESENTATIVE(S) Moreno, Becker, Court, Exum, Fields, Fischer, Hamner, Hullinghorst, Kraft-Tharp, Labuda, Lebsock, Lee, May, McCann, Melton, Pettersen, Primavera, Rosenthal, Ryden, Salazar, Schafer, Tyler, Williams, Young, Buckner, Duran, Ginal, Kagan, Peniston.

CONCERNING FINANCIAL ASSISTANCE IN COLORADO HOSPITALS, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING APPROPRIATIONS.

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

SECTION 1. In Colorado Revised Statutes, 25-3-112, **amend** (1) (d); and **add** (3.5), (3.7), (4) (c), (7), (8), and (9) as follows:

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

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

hospital shall:

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

(3.5) IF A HOSPITAL DISCOVERS AN OMISSION OF REQUIRED INFORMATION, INCORRECT BILLING, OR OTHER NONCOMPLIANCE WITH THIS SECTION BY THE HOSPITAL, THE HOSPITAL SHALL CORRECT THE ERROR OR OMISSION, INFORM THE PATIENT, AND PROVIDE A FINANCIAL CORRECTION CONSISTENT WITH THIS SECTION TO THE PERSONS AFFECTED BY THE ERROR OR OMISSION. THE HOSPITAL SHALL INFORM THE DEPARTMENT OF THE ERRORS, OMISSIONS, AND CORRECTIVE ACTIONS TAKEN BY THE HOSPITAL IN THE SAME MANNER AND FORM AS THE REPORTS REQUIRED IN SECTION 25-1-124. THE DEPARTMENT SHALL NOT INVESTIGATE A HOSPITAL BECAUSE THAT HOSPITAL HAS CORRECTED AN ERROR, OMISSION, OR NONCOMPLIANCE WITH THIS SECTION, UNLESS THERE IS GOOD CAUSE TO OPEN AN INVESTIGATION. IF THE DEPARTMENT INVESTIGATES A SELF-REPORTED INCIDENT, THE DEPARTMENT SHALL INVESTIGATE, DOCUMENT, AND IDENTIFY THE SELF-REPORTED ERRORS, OMISSIONS, OR NONCOMPLIANCE RELATED TO THIS SECTION AS A SELF-REPORTED INCIDENT INVESTIGATION, AND NOT AS A COMPLAINT INVESTIGATION. THE DEPARTMENT SHALL MAKE INFORMATION CONCERNING INVESTIGATIONS AND COMPLAINTS AVAILABLE TO THE PUBLIC IN THE SAME MANNER AS SECTION 25-1-124 (6) AND (7). THE DEPARTMENT SHALL MAKE HOSPITAL SELF-REPORTED INCIDENTS SUBMITTED TO THE DEPARTMENT PURSUANT TO THIS SECTION AVAILABLE TO THE PUBLIC UPON REQUEST.

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

(b) IF THE DEPARTMENT FINDS THAT A HOSPITAL IS NOT IN COMPLIANCE WITH THIS SECTION, INCLUDING THE RULES ADOPTED PURSUANT TO PARAGRAPH (c) OF SUBSECTION (7) OF THIS SECTION, THE

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

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

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

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

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

(II) THREE REPRESENTATIVES OF COLORADO HOSPITALS, ONE WHO REPRESENTS COLORADO HOSPITALS, ONE WHO REPRESENTS URBAN HOSPITALS, AND ONE WHO REPRESENTS RURAL HOSPITALS, JOINTLY APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE

PRESIDENT OF THE SENATE WITHIN THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (7); AND

(III) THREE REPRESENTATIVES OF ORGANIZATIONS THAT REPRESENT CONSUMERS, JOINTLY APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE WITHIN THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (7).

(b) THE COMMITTEE SHALL:

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

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

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

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

(d) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE DECEMBER 31, 2014.

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

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

SECTION 2. Appropriation - adjustments to 2014 long bill.

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

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

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless

approved by the people at the general election to be held in November 2014 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Morgan Carroll
PRESIDENT OF
THE SENATE

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO