

**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**

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**SENATE SPONSORSHIP**

**Aguilar,**

**HOUSE SPONSORSHIP**

**Moreno,**

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**Senate Committees**  
Health & Human Services  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING FINANCIAL ASSISTANCE IN COLORADO HOSPITALS.**

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**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 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%.

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.*

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.

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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), (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  
23 CONSISTENT WITH THIS SECTION TO THE PERSONS AFFECTED BY THE ERROR  
24 OR OMISSION. THE HOSPITAL SHALL INFORM THE DEPARTMENT OF THE

1 ERRORS, OMISSIONS, AND CORRECTIVE ACTIONS TAKEN BY THE HOSPITAL  
2 ON A QUARTERLY BASIS.

3 (3.7) (a) IF THE ATTORNEY GENERAL RECEIVES A VALID  
4 COMPLAINT REGARDING A HOSPITAL'S COMPLIANCE WITH THIS SECTION,  
5 THE DEPARTMENT MAY CONDUCT A REVIEW. IN ADDITION, THE ATTORNEY  
6 GENERAL SHALL PERIODICALLY REVIEW HOSPITALS TO ENSURE  
7 COMPLIANCE WITH THIS SECTION.

8 (b) IF THE ATTORNEY GENERAL FINDS THAT A HOSPITAL IS NOT IN  
9 COMPLIANCE WITH THIS SECTION, INCLUDING THE RULES ADOPTED  
10 PURSUANT TO PARAGRAPH (c) OF SUBSECTION (7) OF THIS SECTION, THE  
11 DEPARTMENT SHALL NOTIFY THE HOSPITAL, AND THE HOSPITAL HAS  
12 NINETY DAYS TO FILE WITH THE DEPARTMENT A CORRECTIVE ACTION PLAN  
13 THAT INCLUDES MEASURES TO INFORM THE PATIENT OR PATIENTS, AND  
14 PROVIDE A FINANCIAL CORRECTION CONSISTENT WITH THIS SECTION TO  
15 THE PERSONS AFFECTED BY THE NONCOMPLIANCE. THE DEPARTMENT MAY  
16 REQUIRE A HOSPITAL THAT IS NOT IN COMPLIANCE WITH THIS SECTION, OR  
17 WITH RULES ADOPTED PURSUANT TO PARAGRAPH (c) OF SUBSECTION (7)  
18 OF THIS SECTION, TO DEVELOP AND OPERATE UNDER A CORRECTIVE  
19 ACTION PLAN UNTIL THE HOSPITAL IS IN COMPLIANCE.

20 (c) IF A HOSPITAL'S NONCOMPLIANCE WITH THIS SECTION IS  
21 DETERMINED BY THE DEPARTMENT TO BE KNOWING OR WILLFUL, THE  
22 DEPARTMENT MAY FINE THE HOSPITAL UP TO FIVE THOUSAND DOLLARS. IN  
23 ADDITION, IF THE HOSPITAL FAILS TO TAKE CORRECTIVE ACTION OR FAILS  
24 TO FILE A CORRECTIVE ACTION PLAN WITH THE DEPARTMENT WITHIN  
25 NINETY DAYS, THE DEPARTMENT MAY FINE THE HOSPITAL UP TO FIVE  
26 THOUSAND ADDITIONAL DOLLARS. THE DEPARTMENT SHALL CONSIDER THE  
27 SIZE OF THE HOSPITAL AND THE SERIOUSNESS OF THE VIOLATION IN

1     SETTING THE FINE AMOUNT.

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

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

7             (II) THE PRIME SPONSORS OF SENATE BILL 14-050;

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

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

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

20            (b) THE COMMITTEE SHALL:

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

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

26            (III) SUBMIT THE RECOMMENDATIONS FOR UNIFORM STANDARDS  
27    TO THE DEPARTMENT WITHIN ONE HUNDRED TWENTY DAYS AFTER THE

1 EFFECTIVE DATE OF THIS SUBSECTION (7).

2 (c) THE DEPARTMENT SHALL ADOPT BY RULE THE  
3 RECOMMENDATIONS FOR UNIFORM STANDARDS MADE BY THE HOSPITAL  
4 FINANCIAL ASSISTANCE STANDARDS COMMITTEE TO EVALUATE WHETHER  
5 A HOSPITAL IS IN COMPLIANCE WITH THIS SECTION.

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

11 **SECTION 2. Act subject to petition - effective date.** This act  
12 takes effect at 12:01 a.m. on the day following the expiration of the  
13 ninety-day period after final adjournment of the general assembly (August  
14 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a  
15 referendum petition is filed pursuant to section 1 (3) of article V of the  
16 state constitution against this act or an item, section, or part of this act  
17 within such period, then the act, item, section, or part will not take effect  
18 unless approved by the people at the general election to be held in  
19 November 2014 and, in such case, will take effect on the date of the  
20 official declaration of the vote thereon by the governor.