

Health Care Billing

Background

Health care affordability continued to be a key focus of the General Assembly in 2021, and legislators focused some of these affordability efforts on health care billing. CHA engaged with other stakeholders and legislators to amend, and ultimately support, a bill (House Bill [HB] 21-1198) altering the state's hospital charity care statute. CHA also monitored another bill, HB 21-1300, creating a new type of statutory lien for health care providers.

HB 21-1198: Health-care Billing Requirements for Indigent Patients

HB 21-1198 makes several changes to the existing hospital charity care statute, currently regulated by the Colorado Department of Public Health and Environment (CDPHE). Under current law, hospitals are required to screen uninsured patients for financial assistance. Under this new law, starting in June 2022, hospitals will have to screen for both financial assistance and public coverage; provide information in languages other than English; and report financial assistance activity. The law's requirements will be overseen by the Department of Health Care Policy and Financing (HCPF) instead of CDPHE.

What You Need to Know

- Charity care statutes now apply to all health care facilities, not just hospitals.
- By April 1, 2022, HCPF must promulgate rules standardizing how health facilities:
 - Provide information on patient's billing rights;
 - Screen uninsured patients for eligibility for charity care, the Colorado Indigent Care Program (CICP), or other discounted care;
 - Report compliance data to HCPF by June 1, 2023, and each June 1 thereafter; and,
 - Adhere to new billing requirements for "qualified patients" (below 250 percent Federal Poverty Level [FPL]):
 - HCPF rules will standardize eligibility standards and processes; hospitals may not consider assets in determining income eligibility.
 - HCPF rules will establish discounted rates for qualified patients, which must be at least the higher of 100 percent Medicare or 100 percent Medicaid rates.
 - Discounted payments are limited to monthly installments not to exceed 4 percent of patient income for facilities and 2 percent of patient income for professional fees.
- Bills must be considered paid in full after 36 months. The bill also includes limitations on selling debt or pursuing "extraordinary" collection actions:
 - Institutes a 182-day delay and patient notification requirements;
 - Prohibits foreclosure actions on primary residences;
 - Allows collection actions including property liens, account seizures, garnishments; and,
 - Creates requirements around "extraordinary" collection actions excludes hospital liens.

Continued

What You Need to Know (continued)

- In addition, HCPF will promulgate rules establishing:
 - How patients may appeal a health facility determination of ineligibility; and,
 - Periodic review of health care facilities for compliance.

Additional Resources

- [HB 21-1198](#) and [Fiscal Note](#)

HB 21-1300: Health-care Provider Liens for Injured Persons

HB 21-1300 creates a new type of statutory lien for health care providers treating individuals injured by negligence or wrongful acts and imposes limitations on business practices associated with those liens.

What You Need to Know

This new law concerns health care provider liens and does not change, modify, or amend statutes related to hospital liens. Under this new law, beginning Sept. 7, health care providers are required to do the following when asserting liens against an injured person's funds that they may receive from a settlement:

- The amount of the lien cannot exceed charges for services provided, which must be charged the provider's customary rate;
- The lien cannot include additional finance charges or interest;
- If the injured person does not receive a settlement, they are not liable for any amount of the lien;
- If the injured person receives a settlement that is less than the amount of the lien, they are not liable for any amount over the settlement; and,
- The lienholder cannot assign the lien to a collection agency.

Additionally, health care providers creating a lien must advise the injured person of the limitations described above, as well as inform the injured person of their options for payment.

Additional Resources

- [HB 21-1300](#) and [Fiscal Note](#)