



# Hospital Price Transparency Legislation

ISSUE BRIEF | House Bill 22-1285

## Background

This session, the Polis administration continued to prioritize health care affordability, including a focus on hospital price transparency and enforcement of federal requirements. HB 22-1285 compels compliance with federal hospital price transparency laws by creating additional state-level penalties.

## HB 22-1285: Prohibit Collection Hospital Not Disclosing Prices

On Jan. 1, 2021, the Centers for Medicare & Medicaid Services (CMS)' [Hospital Price Transparency rule](#) went into effect and required hospitals to provide clear, accessible pricing information in two ways – first, by publicly posting a machine-readable digital file containing standard charges for all items and services; and second, by having a consumer-friendly shopping tool or publicly posting a digital file of at least 300 “shoppable services.” HB 22-1285, as finalized, will prohibit hospitals that are not in compliance with hospital price transparency regulations from referring, assigning, or selling medical debt to a collector, or from suing the patient to enforce their debt. If a court finds that a hospital violated this requirement, it will award damages to the patient.

## What You Need to Know

### Federal Requirements

To be in compliance with federal law, hospitals must provide clear, accessible pricing information in two ways:

1. Comprehensive machine-readable file with all items and services: publicly post a digital file containing the standard charges for all items and services provided by the hospital ([45 CFR §180.50](#)).
2. Display of shoppable services in a consumer-friendly format: publicly post a digital file of at least 300 (or as many as the hospital provides) “shoppable services” that a health care consumer can schedule in advance ([CFR §180.60](#)).

### Billing

Under the new law, if a hospital is not in material compliance with hospital price transparency laws, it cannot:

- Refer, assign, or sell the patient’s debt to a debt collector, collection agency, or other third party; or,
- Sue the patient to enforce his/her/their debt.

**Note:** Nothing in the bill prohibits the hospital from billing a patient or their insurer for items or services rendered.

## HB 22-1285: Prohibit Collection Hospital Not Disclosing Prices - *continued*

### Legal Process and Penalties

- If a patient believes that a hospital was not in material compliance with hospital price transparency laws and the hospital takes a collection action against them, the patient can sue the hospital for damages.
- The court will review the case under the following parameters:
  - Using guidance and materials issued by CMS, was the hospital noncompliant?
  - Was the compliance violation material?
  - Does the compliance violation relate to the item or service the patient received?  
*For example, if a heart attack patient sued a hospital for noncompliance, the patient would not have a valid suit if it was determined that only the hospital's prices related to obstetric services were out-of-date.*
- If the court determines a hospital is at fault, they must impose the following penalties under the law, and the hospital must:
  - Refund the payer any amount they have paid;
  - Pay a penalty to the patient or their guarantor equal to the total amount of the debt;
  - Pay any costs incurred by the patient or guarantor related to the suit (including attorney fees); and,
  - Remove any action impacting the patient's credit report.

### Implementation Timeline

- Aug. 10, 2022 – requirements effective for hospitals except Critical Access Hospitals
- Feb. 15, 2023 – requirements effective for Critical Access Hospitals

### Additional Resources

- [Final Bill](#)
- [Fiscal Note](#)
- CMS [Background for Hospitals](#) on Price Transparency & [Resources \(FAQ, checklist, etc.\)](#)