



# Executive Brief

## HOSPITAL DISCOUNTED CARE – SEPTEMBER 2022

### ISSUE

On Sept. 1, Colorado's Hospital Discounted Care standards, which were created in 2021 by [House Bill \(HB\) 21-1198](#), took effect. The law codifies charity care laws and establishes requirements for how hospitals screen, bill, and collect payments from low-income patients. The rules cover any medically necessary service provided in acute care and critical access hospitals, as well as freestanding emergency departments.

### WHAT YOU NEED TO KNOW

#### Screening

As of Sept. 1, hospitals are required to:

- Post the [Patient Rights](#) & the [Uniform Application](#) on the facility website (linked on the landing page).
- Make Patient Rights information available in patient waiting areas.
- Also make the information available to the patient before they leave the facility.
- Inform the patient of their rights on the billing statement.
- Screen all **uninsured patients** using the universal application for public health insurance programs and discounted care.
  - Patients can decline to be screened – if this occurs, it must be documented.
  - The Presumptive Eligibility program in Colorado provides immediate, temporary medical coverage to children under 19 and pregnant persons if they appear eligible prior to completing the full application.
- Screen all **insured patients** who request to be screened.
- If the hospital is unable to screen in the care setting, it must attempt to screen afterward by contacting patients using their preferred communication method (e.g., phone, email) once a month for six months.

#### Billing

- For qualifying patients, follow all rate/billing requirements.
- Notify physicians who provide services within the hospital setting of patient's eligibility determination to ensure they bill at the correct rate when billing separately.
- Bill qualifying patients at rates that are the higher of the Medicare or Medicaid rate for that service (capped at 4 percent of the patient's income).
- If hospitals prefer to write off costs instead of billing, HCPF confirmed that is allowed.

### KEY CLARIFICATIONS

- A patient qualifies for Hospital Discounted Care if their income is below 250% of the Federal Poverty Level (FPL).
  - Patients are required to provide documentation verifying their income to qualify for discounts.
  - For patients who are eligible for public or commercial insurance but are not enrolled, enrollment would likely significantly lower the patient's obligations beyond any discounts provided through Hospital Discounted Care.
- The discounts only apply to Colorado residents.

### WHO SHOULD BE INVOLVED

CFOs, COOs, billing and revenue cycle team, admissions, PIOs/marketing

### WHAT CHA IS DOING

- Providing hospitals with training opportunities and educational materials.
- Advocating with HCPF for regulatory improvements.
- Developing data collection strategies and tools to help hospitals quantify the impact of this program.
- Identifying troublesome pain points or contradictory areas of law for potential legislative fixes.



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## HOSPITAL DISCOUNTED CARE – SEPTEMBER 2022 - *continued*

### ADDITIONAL RESOURCES

- HCPF Hospital Discounted Care and Colorado Indigent Care Program [Operations Manual](#)
- CHA Hospital Discounted Care [webpage](#)
- CHA Hospital Discounted Care [Implementation Guide/Q&A](#)
- HCPF [Guidance on Federal Poverty Levels](#)
- HCPF Hospital Discounted Care [website](#)
- [HCPF Hospital Discounted Care Rates](#)
- HCPF Screening, Application, and Screening Best Efforts [flowcharts](#)
- [CHA HB 21-1198 Issue Brief](#)
- HCPF training [recordings and handouts](#)

### PATIENT ELIGIBILITY FOR ASSISTANCE

