



Hospital Price Transparency

ISSUE BRIEF | House Bill 23-1226, Senate Bill 23-252, and House Bill 23-1215

Background

This session, the legislature considered multiple bills related to hospital price transparency. CHA worked extensively with lawmakers and stakeholders to improve each bill consistent with CHA advocacy principles to ensure health care transparency efforts are timely, accurate, and meaningful to improve the consumer experience and health care affordability.

HB 23-1226: Hospital Transparency and Reporting Requirements

[House Bill \(HB\) 23-1226](#) builds on existing [HB 19-1001](#) transparency reporting by adding three new reporting requirements for hospitals to provide to HCPF:

1. Additional reporting elements for the purposes of a yearly transparency report;
2. Quarterly financial reporting that includes an income statement and balance sheet; and
3. One-time report due on July 1, 2024, with past financial information.

Additionally, the bill requires hospitals to follow industry standard billing practices, including the date of service, the patient's name, the provider's name, a description of the services provided, and the charges for each service for patient bills starting on July 1, 2024.

The additional reporting elements for the **yearly report** include:

- Annual summary of the hospital's transfers of cash, equity, investments, and other assets
- Hospital-specific statement of cash flow as well as gross revenue and net profit
- Changes to specific major service lines
- A narrative report of major planned and completed projects and capital investments greater than \$25 million (to be treated as confidential, proprietary, contains trade secrets, and not public record)
- Information on current affiliations and a report on physician practice acquisitions
- Salary and total compensation data of the top five highest paid administrative positions of each nonprofit hospital (aggregated in yearly transparency report without identifying individual hospitals)
- Details of significant other revenue that would otherwise be reported in the Medicare Cost Report

One-time report due on July 1, 2024, must include:

- A summary of the hospital's transfers of cash, equity, investments, or other assets to and from related parties for fiscal years 2014-15 through 2019-20
- Information on affiliations and a report on physician practice acquisitions for fiscal years 2014-15 through 2019-20
- Details on significant other revenue that would otherwise be reported in the Medicare Cost Report for fiscal years 2019-20 through 2022-23

For questions or more information, contact Adeline Ewing, CHA policy analyst, at adeline.ewing@cha.com.

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HB 23-1226: Hospital Transparency and Reporting Requirements – *continued*

Compliance:

If a hospital is noncompliant with the reporting requirements, HCPF may fine a hospital system up to \$20,000 per week and a hospital up to \$5,000 per week. HCPF can also create a mandatory pay-for-reporting compliance measure within the Hospital Transformation Program.

Timeline

- **Aug. 7, 2023:** HCPF gains the authority to start collecting the additional reporting elements for the annual report as well as the quarterly reporting. HCPF will undertake rulemaking this summer to develop regulations around how hospitals will submit this information.
- **July 1, 2024:** One-time report on past financial data due to HCPF.
- **July 1, 2024:** Bills sent to patients must follow industry standard billing practices.

**As of May 19, 2023, Governor Polis has not yet signed the bill but is expected to by June 8, 2023.*

Additional Resources

- [Final bill text*](#)
- [Fiscal note](#)
- [HB 19-1001 Issue Brief](#)
- [HCPF Hospital Price Transparency Webpage](#)
- [HCPF Hospital Transparency Report](#)

SB 23-252: Medical Price Transparency

Building on federal [hospital price transparency rules](#), [Senate Bill \(SB\) 23-252](#) requires hospitals to publicly post the hospital's Medicare reimbursement rates, if applicable, by **Oct. 1, 2023**. Failing to publicly post a hospital's Medicare reimbursement rate will be considered a deceptive trade practice.

The bill also gives HCPF additional authority around hospital compliance with the federal hospital price transparency rules. HCPF will conduct performance assessments and audits of hospital websites to evaluate compliance. If HCPF determines a hospital is out of compliance, the department may provide written notice as well as technical assistance to the hospital to help the hospital become compliant. By **Feb. 1, 2024**, HCPF must create and maintain a publicly available list to be updated annually of hospitals that perform poorly on the department's performance assessment.

Timeline

- **Oct. 1, 2023:** Hospitals must publicly post the hospital's Medicare reimbursement rates.
- **Feb. 1, 2024:** HCPF will create and maintain a publicly available list of hospitals that are found to be non-compliant with federal hospital price transparency rules.

**As of May 19, 2023, Governor Polis has not yet signed the bill but is expected to by June 8, 2023.*

SB 23-252: Medical Price Transparency – *continued*

Additional Resources

- [Final bill text*](#)
- [Fiscal note](#)
- [CMS Hospital Price Transparency Rules](#)
- [HCPF Hospital Price Transparency Report](#)

HB 23-1215: Limits on Hospital Facility Fees – *Transparency Elements*

Consumer advocates ran legislation, [HB 23-1215](#), this session on hospital facility fees. This issue brief describes just the transparency pieces in the bill – a more complete description of the bill can be found in the complete [HB 23-1215 issue brief](#).

Starting **July 1, 2024**, hospitals must comply with the following transparency requirements regarding facility fees:

- **Billing Disclosures:** Providers affiliated with or owned by a hospital or health system must provide a notice to patients that a facility fee may be charged at the time an appointment is scheduled as well as when the service is provided. Providers must also post a sign in English and Spanish stating that the patient may be charged a facility fee.
- **Change of Ownership:** A health facility newly affiliated with or owned by a hospital or health system must provide written notice to each patient seen within the previous year noting the change of ownership and that the patient may be billed for a facility fee. Facility fees cannot be collected until at least 30 days after the notice is mailed.

Timeline

- **July 1, 2024:** Hospitals must comply with billing disclosure and change of ownership transparency requirements.

**As of May 19, 2023, Governor Polis has not yet signed the bill but is expected to by June 8, 2023.*

Additional Resources

- [Final bill text*](#)
- [Fiscal note](#)