



Hospital Discounted Care Updates

ISSUE BRIEF | Senate Bill 24-116

Background

House Bill 21-1198 – known as Hospital Discounted Care (HDC) – expanded and made several changes to Colorado’s hospital charity care statute. The law established new requirements for how hospitals screen, bill, and collect payments from low-income patients. In the first year, more than 200,000 Coloradans received discounted care under the new requirements. While the program is well intentioned, since implementing the law, Colorado hospitals identified a number of issues that made the law operationally inefficient and created undue financial burden for hospitals. This session, CHA led legislation to address those fixes that needed a statutory change to allow the program to work smoother for patients and providers.

Senate Bill 24-116: Discounted Care for Indigent Patients

What You Need to Know

The bill makes five major changes to HDC, effective Aug. 7, 2024:

1. **Medicaid:** The bill allows all hospitals to serve as presumptive eligibility sites to get patients temporary coverage. Currently, patients who are eligible for Medicaid but not enrolled do not have an expedited pathway to gain access to coverage or a requirement to apply. HCPF will conduct training for hospitals that wish to become presumptive eligibility sites starting in fiscal year 2026-27.
2. **Physician Reporting:** The bill removes hospitals from an inappropriate middleman role, aligning reporting requirements for physicians.
3. **Inconsistent Billing Caps:** The bill allows hospitals to bill up to 6 percent of a patient’s gross monthly income when the hospital is billing on behalf of physicians. Current law allows hospitals to bill up to 4 percent and physicians up to 2 percent, consistent with the HDC fee schedule. However, this structure doesn’t effectively recognize instances where the hospital bills on behalf of an employed physician.
4. **Scope of Hospital Services:** The bill excludes primary care provided in rural health clinics from HDC. Current law applies to all services under the hospital’s license, which inappropriately includes many services outside of the scope of HDC.
5. **Colorado Residency:** The bill clarifies that an individual must attest to residing in Colorado to be eligible for HDC. This change codifies current practice.

Additional Resources

- [Final bill text](#)
- [Fiscal note](#)
- [CHA Hospital Discounted Care webpage](#)
- [CHA Issue Page: Updating Colorado’s Hospital Discounted Care Law](#)
- [Hospital Presumptive Eligibility Overview](#)
- [CMS FAQ on Hospital Presumptive Eligibility](#)

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