

Streamlining Administrative Burden to Direct Resources to Patients

SB 26-138: Concerning Measures to Reduce the Administrative Burden on the Health-Care System

Bill sponsors: Sen. Lindsey Daugherty & Sen. Kyle Mullica / Rep. Katie Stewart

Background

The core mission of Colorado hospitals is caring for patients and their communities. Yet, hospitals are diverting time, workforce, and financial resources away from providing direct patient care due to growing regulatory burden and systemic inefficiencies. This is at a time when families are struggling to afford basic health care services due to rising insurance premiums. The impacts of H.R. 1 will increase the number of uninsured and under-insured Coloradans. Our state must work to reduce duplicative processes, outdated administrative structures, and pro forma reporting requirements that create costly bureaucracies for both hospitals and the state—without improving care delivery, health outcomes, or patient experience.

Hospitals remain deeply committed to regulatory compliance, transparency, and accountability. Over the past six years, the General Assembly has enacted hundreds of new laws impacting hospital operations, significantly expanding regulatory and reporting obligations.

SB 26-138 advances several solutions designed to:

- Streamline administrative processes and improve system efficiency
- Reinvest resources into patient care and access
- Reduce unnecessary state and hospital workload
- Improve patient experience as they navigate discounted care

Key Provisions

Hospital Discounted Care (HDC)

- Identifies allowable screening workflows aligned with modern practice.
- Limits requiring full HDC application for patients with no balance after required discounts or health care facility's financial assistance program.
- Streamlines patient notices and clarifies patient outreach attempts to align with patient requests.

WHY? Every Coloradan deserves a fair, understandable path to financial assistance. Current process often results in repetitive and confusing notices that cause patient frustration and duplicative work for hospitals.

Health Care Facility Licensure

- Shifts hospital licensure renewal from annual to biennial.
- Allows continuous waivers when no material changes occur.

WHY? These small changes will reduce duplicative administrative work and allows hospitals to redirect capacity to patient care.

Financial Transparency Reporting

- Requires HCPF to use state rulemaking processes for content and format requirements, as defined in the Administrative Procedures Act.

WHY? Currently, submission requirements are communicated to hospitals through a variety of inconsistent methods, leaving hospital compliance staff guessing what the latest and best source of information is to remain compliant. Standardization will increase certainty, transparency, and reduce unnecessary back-and-forth.

FOR MORE INFORMATION CONTACT:

Bridget Frazier at Bridget.Frazier@cha.com

Jason Hopfer at jason@jlhpublicaffairs.com

Elisabeth Rosen at politicaladvocacyinc@gmail.com

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Allied Organization Provisions

Health care functions as an ecosystem. Colorado Hospital Association and bill sponsors worked with key industry stakeholders to identify systemwide solutions to alleviate additional regulatory burden and ensure that the health care system is working for Coloradans.



Regulatory Performance Audits

Requires Commissioner to complete audit of health care (HCPF) and insurance (DOI) rules every five years to:

- Determine whether each rule complies with the statutory purpose.
- Understand the economic and compliance costs.
- Assess whether stakeholder engagement processes have been used.
- Determine appropriate staffing.
- Perform a cost-benefit analysis.

WHY? Layers of regulation have built up without necessary review to determine whether it has developed into an effective regulatory framework. Meanwhile, each layer adds additional costs to the system. Industry stakeholders have identified opportunities to streamline administrative duplication and find systemic cost savings. Periodic regulatory review will help ensure statutory intent remains intact and can be administered effectively.

Opiate Prescriber Training

- Eliminates the requirement for 4 hours of opioid prescribing training every two years.

WHY? Training on appropriate opioid prescribing is important for our providers. State level requirements conflict with federal requirements by the U.S. Drug Enforcement Agency, which requires a one-time 8-hour training.

Colorado hospitals are committed to regulatory compliance, transparency, and accountability. Reducing administrative duplication and streamlining workflows will allow for hospitals to continue their focus on efforts to improve patient care delivery, health outcomes, and patient experience.

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Jason Hopper at jason@jhlpublicaffairs.com

Elisabeth Rosen at politicaladvocacyinc@gmail.com