

# Hospital Discounted Care Screening and Application Modifications

## Senate Bill (SB) 26-138

**Background:**

House Bill (HB) 21-1198 created Colorado's Hospital Discounted Care (HDC) program, with requirements for how hospitals screen, bill, and collect from low-income patients. While the program is well-intentioned, Colorado hospitals have identified a number of issues that made the law operationally burdensome for hospitals and frustrated patient experience and access to the program. Colorado hospitals led legislation to address some fixes in 2024 through SB 24-116 and continued to find ways to optimize the program in 2026 through SB 26-138.

**SB 26-138: Reducing Administrative Burdens on Health Care**

SB 26-138 makes targeted administrative changes to reduce operational burden on health care facilities. Included in this bill are provisions that further optimize the HDC program.

**What You Need to Know:**

The bill modifies how hospitals conduct screening for public coverage and discounted care, updates screening and application processes and patient communication requirements.

Key provisions affecting hospitals include:

- Establishing a screening process for patients that allows hospitals to rely on the screening outcome for eligibility without filling out the full HDC application.
- Allowing hospitals to rely on third-party screening tools, including credit bureau data, to affirmatively screen patients into the program. The health care facility must disclose to the Colorado Department of Health Care Policy and Financing (HCPF) what third-party resource they use to determine eligibility, if they do so. Hospitals using third-party resources that qualify as Automated Decision-Making Technology will need to comply with patient disclosure requirements included in SB 26-189, which also passed this year.
- Requiring patient communication of Federal Poverty Guideline calculation following screening result to give patients information about whether they would like to complete a full application.

Additionally, this law will also require HCPF to modify how it implements the program including through the following ways:

- HCPF will publish the HDC Uniform Application to a publicly accessible website, including in all required languages.
- HCPF must comply with the Administrative Procedures Act when imposing enforceable changes to the Uniform Screening Questionnaire, application, new requirements, new reporting obligations, new documentation standards, new data elements, or new program criteria.

Hospitals should prepare for changes in front-end financial screening workflows and compliance documentation, including policies and scripts used by registration and billing staff, EHR workflows that support HDC eligibility screening and communication, and standardized patient and physician communications.

**Effective Date:**

- Aug. 12, 2026
- July 1, 2027 – HCPF must adopt rules necessary to administer and implement changes to the HDC process

HCPF must also ensure changes or new requirements are adopted by Sept. 1, 2026, for the 2026-27 state fiscal year and every year after by June 1. This does not apply to annual updates to the Federal Poverty Guidelines or in response to emergent and immediate trends identified by consumers or hospitals that limit the program's effectiveness and are demonstrated by data submitted to HCPF or the Medical Services Board.

**Additional Resources:**

- [SB 26-138 Final Bill Text](#)
- [SB 26-138 Fiscal Note](#)