

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0865.01 Christy Chase x2008

SENATE BILL 18-155

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SENATE SPONSORSHIP

Aguilar,

HOUSE SPONSORSHIP

Pettersen,

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Senate Committees

State, Veterans, & Military Affairs

House Committees

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A BILL FOR AN ACT

101 CONCERNING HOSPITAL COMMUNITY BENEFIT REPORTING.

Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill requires hospitals, other than critical access hospitals, that are exempt from state or local taxes to report information about the tax benefits they receive and the community benefits they provide. The bill creates a hospital community benefits advisory council within the department of health care policy and financing to accept and analyze hospital reports. The executive director of the department is required to adopt rules, in consultation with the advisory council, specifying when hospitals are to submit the reports, the form and manner of reporting the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

required data, the categories of community benefits they provide and the services that constitute a community benefit, and related matters.

Upon analyzing hospital data, the advisory council is to:

- ! Make recommendations to the executive director regarding any modifications needed to the hospital reporting requirements as specified in rules; and
- ! Provide annual reports to specified legislative committees regarding the hospital data and any legislative recommendations.

The advisory council and hospital reporting requirements are subject to sunset review in 2021, with repeal of the advisory council and hospital reporting requirements scheduled for September 1, 2022.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, **add 25.5-1-207** as  
3 follows:

4           **25.5-1-207. Hospital reporting - property tax exemptions -**  
5 **community benefits - hospital community benefit advisory council -**  
6 **creation - membership - executive director rules - reporting to**  
7 **legislative committees - definitions - repeal.** (1) AS USED IN THIS  
8 SECTION:

9           (a) "BAD DEBT" MEANS THE UNPAID DOLLAR AMOUNT FROM A  
10 PATIENT OR THIRD-PARTY PAYER FOR SERVICES RENDERED TO THE  
11 PATIENT AND FOR WHICH THE HOSPITAL EXPECTED PAYMENT. "BAD DEBT"  
12 DOES NOT INCLUDE UNPAID DOLLAR AMOUNTS FROM MEDICARE, TITLE  
13 XVIII OF THE FEDERAL "SOCIAL SECURITY ACT", AS AMENDED.

14           (b) (I) "CHARITY CARE" MEANS HEALTH CARE SERVICES  
15 RESULTING FROM A HOSPITAL'S POLICY TO PROVIDE HEALTH CARE  
16 SERVICES:

17           (A) TO INDIVIDUALS WHO MEET CERTAIN FINANCIAL CRITERIA;  
18 AND

19           (B) FREE OF CHARGE OR WHERE ONLY PARTIAL PAYMENTS ARE

1 EXPECTED, EXCLUDING CONTRACTUAL ALLOWANCES FOR OTHERWISE  
2 INSURED PATIENTS.

3 (II) "CHARITY CARE" DOES NOT INCLUDE:

4 (A) ANY HEALTH CARE SERVICES RENDERED UNDER THE  
5 "COLORADO INDIGENT CARE PROGRAM", ARTICLE 3 OF THIS TITLE 25.5;

6 (B) SERVICES CLASSIFIED AS BAD DEBT; OR

7 (C) PAYMENTS REIMBURSED UNDER THE MEDICAL ASSISTANCE  
8 PROGRAM ESTABLISHED UNDER ARTICLES 4, 5, AND 6 OF THIS TITLE 25.5  
9 THAT ARE DESIGNED TO ADDRESS PAYMENT SHORTFALLS FOR SERVICES  
10 PROVIDED UNDER THAT PROGRAM.

11 (c) "PAYMENT SHORTFALL" MEANS THE DIFFERENCE BETWEEN  
12 PUBLIC PROGRAM PAYMENT AMOUNTS AND THE COST OF PROVIDING CARE.

13 (2)(a) THERE IS HEREBY CREATED IN THE STATE DEPARTMENT THE  
14 HOSPITAL COMMUNITY BENEFIT ADVISORY COUNCIL, REFERRED TO IN THIS  
15 SECTION AS THE "ADVISORY COUNCIL", FOR THE PURPOSE OF COLLECTING  
16 AND ANALYZING DATA SUBMITTED BY HOSPITALS SUBJECT TO THIS  
17 SECTION ABOUT THE TAX BENEFITS THEY RECEIVE AND THE COMMUNITY  
18 BENEFITS THEY PROVIDE AND REPORTING ON THAT INFORMATION,  
19 INCLUDING ANY LEGISLATIVE RECOMMENDATIONS, TO THE GENERAL  
20 ASSEMBLY IN ACCORDANCE WITH THIS SECTION.

21 (b) BY AUGUST 1, 2018, THE GOVERNOR SHALL APPOINT ELEVEN  
22 MEMBERS TO THE ADVISORY COUNCIL AS FOLLOWS:

23 (I) TWO MEMBERS OF THE PUBLIC WHO HAVE WORKED WITH  
24 HOSPITALS IN THEIR COMMUNITIES TO DEVELOP COMMUNITY BENEFIT  
25 PLANS;

26 (II) ONE MEMBER REPRESENTING A NONPROFIT HOSPITAL,  
27 RECOMMENDED BY A STATEWIDE ASSOCIATION OF HOSPITALS;

1 (III) ONE MEMBER REPRESENTING THE DEPARTMENT OF PUBLIC  
2 HEALTH AND ENVIRONMENT OR A COUNTY PUBLIC HEALTH DEPARTMENT;

3 (IV) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HEALTH  
4 CARE POLICY AND FINANCING OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

5 (V) ONE MEMBER WHO IS A PRIMARY CARE PROVIDER AND IS NOT  
6 EMPLOYED BY A HOSPITAL;

7 (VI) ONE MEMBER REPRESENTING COLORADO BUSINESSES AND  
8 WHO IS NOT, AND DOES NOT REPRESENT, A HEALTH CARE PROVIDER OR  
9 HEALTH CARE FACILITY;

10 (VII) ONE MEMBER WHO HAS KNOWLEDGE OF THE COMMUNITY  
11 HEALTH NEEDS OF CHILDREN;

12 (VIII) ONE MEMBER WHO HAS KNOWLEDGE OF THE COMMUNITY  
13 HEALTH NEEDS OF SENIORS;

14 (IX) ONE MEMBER WHO HAS KNOWLEDGE OF THE COMMUNITY  
15 HEALTH NEEDS OF PERSONS WITH DISABILITIES; AND

16 (X) ONE MEMBER FROM AN ORGANIZATION THAT ADVANCES  
17 CONSUMER HEALTH CARE ISSUES.

18 (c) MEMBERS OF THE ADVISORY COUNCIL SERVE WITHOUT  
19 COMPENSATION AND ARE NOT ENTITLED TO REIMBURSEMENT OF EXPENSES  
20 INCURRED IN SERVICE ON OR PERFORMING DUTIES OF THE ADVISORY  
21 COUNCIL.

22 (d) THE STATE DEPARTMENT SHALL PROVIDE STAFF AS NEEDED TO  
23 ASSIST THE ADVISORY COUNCIL IN PERFORMING ITS DUTIES UNDER THIS  
24 SECTION.

25 (3)(a) EACH HOSPITAL THAT IS EXEMPT FROM PROPERTY OR OTHER  
26 STATE OR LOCAL GOVERNMENT TAXES, OTHER THAN A HOSPITAL  
27 DESIGNATED BY THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID

1 SERVICES AS A CRITICAL ACCESS HOSPITAL, SHALL SUBMIT AN ANNUAL  
2 REPORT TO THE HOSPITAL COMMUNITY BENEFIT ADVISORY COUNCIL  
3 ESTABLISHED IN SUBSECTION (2) OF THIS SECTION, BY A DATE SPECIFIED BY  
4 THE ADVISORY COUNCIL, THAT INCLUDES THE FOLLOWING INFORMATION:

5 (I) ALL TAXES FROM WHICH THE HOSPITAL IS EXEMPT OR IS NOT  
6 OTHERWISE OBLIGATED TO PAY, INCLUDING THE BASIS FOR THE  
7 EXEMPTION AND THE AMOUNT THAT THE HOSPITAL WOULD PAY IF NOT  
8 EXEMPT FROM THE TAX; AND

9 (II) ALL COMMUNITY BENEFITS THE HOSPITAL PROVIDES IN THE  
10 COMMUNITY IN WHICH THE HOSPITAL IS LOCATED, INCLUDING THE VALUE  
11 OF THOSE COMMUNITY BENEFITS.

12 (b) THE EXECUTIVE DIRECTOR, BY RULE AND IN CONSULTATION  
13 WITH THE ADVISORY COUNCIL, SHALL SET THE DATE BY WHICH HOSPITALS  
14 SUBJECT TO THIS SUBSECTION (3) ARE TO SUBMIT THE REQUIRED REPORT  
15 AND SHALL SPECIFY THE FORM AND MANNER FOR HOSPITALS TO REPORT  
16 THE REQUIRED INFORMATION, INCLUDING REQUIREMENTS TO:

17 (I) SPECIFY THE CATEGORY OF COMMUNITY BENEFIT THE HOSPITAL  
18 PROVIDES AND DESCRIBE THE SPECIFIC SERVICES THE HOSPITAL PROVIDES  
19 UNDER THAT COMMUNITY BENEFIT CATEGORY AND HOW THOSE SERVICES  
20 FIT WITHIN THE PARTICULAR COMMUNITY BENEFIT CATEGORY;

21 (II) SUBMIT INFORMATION ABOUT THE MANNER IN WHICH THE  
22 HOSPITAL SHARED INFORMATION WITH THE COMMUNITY ABOUT THE  
23 COMMUNITY BENEFIT THE HOSPITAL CHOSE TO PROVIDE, WHETHER THE  
24 HOSPITAL HELD ANY PUBLIC MEETINGS IN THE COMMUNITY REGARDING  
25 THE COMMUNITY BENEFIT IT CHOSE, FEEDBACK THE HOSPITAL RECEIVED  
26 FROM THE COMMUNITY REGARDING THE COMMUNITY BENEFIT, AND THE  
27 HOSPITAL'S PROGRESS TO DATE IN IMPLEMENTING THE COMMUNITY

1 BENEFIT;

2 (III) SPECIFY HOW THE HOSPITAL CALCULATED THE VALUE OF THE  
3 COMMUNITY BENEFIT;

4 (IV) CALCULATE THE VALUE OF A COMMUNITY BENEFIT  
5 CATEGORIZED AS CHARITY CARE BASED ON THE ACTUAL COSTS OF THE  
6 CARE;

7 (V) SUBMIT MATERIALS, DOCUMENTS, AND OTHER INFORMATION  
8 TO SUPPORT THE DATA REQUIRED TO BE REPORTED UNDER THIS  
9 SUBSECTION (3); AND

10 (VI) REPORT, IF APPLICABLE, THE HOSPITAL COMMUNITY BENEFITS  
11 THAT PROVIDE BENEFITS IN OTHER COMMUNITIES OUTSIDE THE  
12 COMMUNITY IN WHICH THE HOSPITAL IS LOCATED OR THAT INVOLVE  
13 COORDINATION AND COOPERATION WITH OTHER HOSPITALS OR PROVIDERS.

14 (c) THE EXECUTIVE DIRECTOR, BY RULE AND IN CONSULTATION  
15 WITH THE ADVISORY COUNCIL, SHALL SPECIFY THE CATEGORIES OF  
16 SERVICES HOSPITALS PROVIDE THAT CONSTITUTE A COMMUNITY BENEFIT,  
17 WHICH CATEGORIES:

18 (I) MAY INCLUDE:

19 (A) CHARITY CARE;

20 (B) COMMUNITY HEALTH IMPROVEMENT SERVICES;

21 (C) RESEARCH;

22 (D) FINANCIAL AND IN-KIND CONTRIBUTIONS TO THE COMMUNITY;

23 AND

24 (E) COMMUNITY-BUILDING ACTIVITIES THAT AFFECT HEALTH IN  
25 THE COMMUNITY; AND

26 (II) MUST NOT INCLUDE BAD DEBT OR ANY PAYMENT SHORTFALL  
27 UNDER MEDICARE, TITLE XVIII OF THE FEDERAL "SOCIAL SECURITY ACT",

1 AS AMENDED.

2 (d) UPON RECOMMENDATION OF THE ADVISORY COUNCIL  
3 PURSUANT TO SUBSECTION (4)(b) OF THIS SECTION, THE EXECUTIVE  
4 DIRECTOR SHALL REVIEW AND AMEND RULES ADOPTED UNDER THIS  
5 SECTION AS NECESSARY.

6 (4) (a) THE ADVISORY COUNCIL SHALL REVIEW AND ANALYZE THE  
7 DATA REPORTED BY HOSPITALS PURSUANT TO SUBSECTION (3) OF THIS  
8 SECTION TO DETERMINE WHETHER:

9 (I) THE SERVICES THE HOSPITAL PROVIDES CONSTITUTE A  
10 COMMUNITY BENEFIT;

11 (II) COMMUNITY BENEFIT CATEGORIES OR DEFINITIONS NEED TO BE  
12 MODIFIED;

13 (III) THE VALUE OF A COMMUNITY BENEFIT, AS REPORTED BY A  
14 HOSPITAL, IS ACCURATE AND SUPPORTED BY DATA FROM THE COMMUNITY;

15 (IV) THE HOSPITAL DEMONSTRATED, THROUGH COMMUNITY  
16 FEEDBACK, THAT THE COMMUNITY DERIVES A BENEFIT FROM THE SERVICES  
17 THE HOSPITAL PROVIDES AS A COMMUNITY BENEFIT; AND

18 (V) THE COMMUNITY BENEFITS A HOSPITAL PROVIDES WARRANT  
19 THE TAX BENEFITS THE HOSPITAL RECEIVES.

20 (b) BASED ON ITS DETERMINATIONS UNDER SUBSECTION (4)(a) OF  
21 THIS SECTION, THE ADVISORY COUNCIL SHALL MAKE RECOMMENDATIONS  
22 TO THE EXECUTIVE DIRECTOR ABOUT AMENDMENTS TO RULES ADOPTED  
23 UNDER THIS SECTION.

24 (c) (I) BY DECEMBER 1, 2019, AND BY EACH DECEMBER 1  
25 THROUGH DECEMBER 1, 2021, THE ADVISORY COUNCIL SHALL SUBMIT A  
26 REPORT AND RECOMMENDATIONS, INCLUDING ANY LEGISLATIVE  
27 RECOMMENDATIONS REGARDING CHANGES TO TAX BENEFITS AVAILABLE

1 TO HOSPITALS, DEFINITIONS OF COMMUNITY BENEFITS, ACCOUNTABILITY  
2 MEASURES, OR ANY OTHER LEGISLATIVE MATTERS TO THE HEALTH AND  
3 HUMAN SERVICES COMMITTEE OF THE SENATE AND THE HEALTH,  
4 INSURANCE, AND ENVIRONMENT AND THE PUBLIC HEALTH CARE AND  
5 HUMAN SERVICES COMMITTEES OF THE HOUSE OF REPRESENTATIVES, OR  
6 THEIR SUCCESSOR COMMITTEES.

7 (II) THE ADVISORY COUNCIL SHALL PRESENT ITS REPORT  
8 SUBMITTED IN ACCORDANCE WITH SUBSECTION (4)(c)(I) OF THIS SECTION  
9 TO THE LEGISLATIVE COMMITTEES SPECIFIED IN SAID SUBSECTION AS PART  
10 OF THE DEPARTMENT'S ANNUAL PRESENTATION TO THOSE COMMITTEES  
11 REQUIRED BY THE "STATE MEASUREMENT FOR ACCOUNTABLE,  
12 RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT", PART 2  
13 OF ARTICLE 7 OF TITLE 2.

14 (5) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2022.  
15 BEFORE ITS REPEAL, THIS SECTION IS SCHEDULED FOR REVIEW IN  
16 ACCORDANCE WITH SECTION 2-3-1203.

17 **SECTION 2.** In Colorado Revised Statutes, 2-3-1203, **add**  
18 (13)(a)(V) as follows:

19 **2-3-1203. Sunset review of advisory committees - legislative**  
20 **declaration - definition - repeal.** (13) (a) The following statutory  
21 authorizations for the designated advisory committees are scheduled for  
22 repeal on September 1, 2022:

23 (V) THE HOSPITAL COMMUNITY BENEFIT ADVISORY COUNCIL  
24 CREATED IN SECTION 25.5-1-207.

25 **SECTION 3. Safety clause.** The general assembly hereby finds,  
26 determines, and declares that this act is necessary for the immediate  
27 preservation of the public peace, health, and safety.