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FISCAL NOTE

Drafting Number: LLS 20-1083
Prime Sponsors: Sen. Fields

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Bill Status: Senate HHS
Fiscal Analyst: Matt Bishop | 303-866-4796
Matt.Bishop@state.co.us

Bill Topic: PLAIN LANGUAGE IN HOSPITAL BILLS

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill requires that health care facilities issue clear, itemized statements or bills to patients. The bill increases state expenditures in FY 2020-21 only.

Appropriation Summary: For FY 2020-21, this bill requires an appropriation of \$28,700 to the Department of Public Health and Environment.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 20-188

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total), Total FTE, and TABOR Refund.

Summary of Legislation

The bill requires that health care facilities issue clear itemized statements or bills to patients beginning January 1, 2021. Specifically, these documents must:

- be issued within 30 days of a patient's discharge or within seven days of a written request;
- not describe a billed charge with only medical billing codes, drug codes, or general terms, such as "miscellaneous charges;"
- list specific services received and charges incurred;
- denote which charges are paid or outstanding, including the due date and amount expected from the patient;
- include services that may be billed separately;
- specifically identify types of therapy received; and
- display a telephone number for resolving billing disputes.

Health care facilities must also establish policies for responding to patients' questions regarding itemized statements or bills, and must respond to questions within seven days. They are prohibited from charging a patient for preparation of the itemized statements or bills.

The State Board of Health, in conjunction with the Commissioner of Insurance and the Division of Professions and Occupations in the Department of Regulatory Agencies, must adopt rules that specify the contents of these documents, a patient's rights and payment obligations, and disclosure requirements of health care facilities.

State Expenditures

The bill increases state General Fund expenditures in the Department of Public Health and Environment by \$39,570 in FY 2020-21 only. Costs are listed in Table 2 and explained below.

Table 2
Expenditures Under SB 20-188

	FY 2020-21	FY 2021-22
Department of Public Health and Environment		
Personal Services	\$28,700	-
Centrally Appropriated Costs*	\$10,870	-
FTE – Personal Services	0.4 FTE	-
Total Cost	\$39,570	-
Total FTE	0.4 FTE	-

* Centrally appropriated costs are not included in the bill's appropriation.

Personal Services. The Department of Public Health and Environment requires 0.4 FTE to conduct the stakeholder process described in the bill to establish rules. The process is based on six meetings and associated administrative support, which will occur from August 2020 to December 2020.

Legal services. Under the bill, the Department of Public Health and Environment will require legal services, provided by the Department of Law. This minimal increase in legal services costs will be accounted for through the annual budget process, with the Department of Law billing client agencies based on their historical utilization of legal services. Therefore, no change in appropriations is required in this bill.

Department of Regulatory Agencies. The Commissioner of Insurance and the Director of the Division of Professions and Occupations will contribute to the rulemaking to ensure that the new rules are consistent with existing rules adopted by the commissioner and the division. As the workload is expected to be minimal, no change in appropriations is required.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$10,870 in FY 2020-21.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed. The requirements for itemized statements and bills take effect on January 1, 2021.

State Appropriations

For FY 2020-21, the bill requires a General Fund appropriation of \$28,700 to the Department of Public Health and Environment, and 0.4 FTE.

State and Local Government Contacts

Health Care Policy and Financing
Public Health and Environment

Information Technology
Regulatory Agencies

Law