

# Support Senate Bill 24-116: Updates to Hospital Discounted Care

Updated February 11, 2024

*Bill Sponsors: Senator Janet Buckner & Representative Iman Jodeh*

## What is Hospital Discounted Care?

Hospital Discounted Care protects low- to moderate-income patients against unaffordable hospital bills and medical debt. Throughout the state, Colorado residents who meet certain income requirements can receive discounts on their hospital bills. This 2021 law established the first statewide hospital charity care requirements, unifying approaches that had been highly variable across Colorado.

## What does Hospital Discounted Care do?

### For Patients

- Creates a standardized, statewide process for patients to find out whether they qualify for public coverage programs or discounts on their bills.
- Establishes monthly payment plans that are scaled to eligible patients' monthly incomes.
- Limits a payment plan to no more than 36 monthly payments, or 3 years.
- Provides protections around medical bill collection practices.
- Ensures that all communication (written or verbal) is delivered to patients in their preferred language.

### For the facilities and larger health system

- Standardizes and simplifies the screening process for discounted care eligibility
- Through manageable payment plans, allows facilities to recoup a portion of patient costs and reduce the rate of default.
- Helps inform eligible patients about public coverage options. When eligible patients enroll in comprehensive coverage, providers gain access to a reliable and ongoing source of reimbursement, avoiding the specter of bad debt.

### Quotes from advocates

- “When I went to the hospital I did not know my insurance coverage had lapsed. When I got my bills I was surprised and shocked. Ultimately, with Hospital Discounted Care, I saved \$1,700. Now just knowing Hospital Discounted Care exists I feel a lot more comfortable now... gives me peace of mind” - Amber, Garfield County
- Before receiving discounted care: “I thought I was going to have to quit my dream job, I thought I would be in debt for years over literally falling over at a roller rink. My original bill was over \$10,000, which is my life savings. I paid maybe \$200, which was a miracle” - Maya, Jefferson Country

## Who does Hospital Discounted Care apply to?

Statewide, HDC applies to all Colorado residents with household incomes at or below 250% of the Federal Poverty Level. A person who attests that they are a resident of Colorado can qualify, regardless of documentation or lawful residency status. Patients who are homeless automatically qualify for Hospital Discounted Care.

## Why was SB24-116 introduced?

In 2021, a wide-ranging coalition worked to pass HB21-1198: Health Care Billing Requirements for Indigent Patients, or Hospital Discounted Care. The law took effect in September of 2022, just 16 months before the launch of the 2024 legislative session. As with any new large-scale effort, the roll-out of HB21-1198 has helped stakeholders and the state identify opportunities to enhance the program's effectiveness. With coalition support, sponsors of the 2021 legislation, Sen. Janet Buckner and Rep. Iman Jodeh are bringing SB24-116 to address concerns of both patients and health care facilities.

## What does SB24-116 do?

- Creates an alternative pathway for rural health clinics to offer discounted care that better reflects their internal billing and financial systems.
- Clarifies terminology and processes for both health care facilities and the Colorado Department of Health Care Policy and Financing.
- Facilitates faster enrollment into Medicaid for patients who meet eligibility requirements.

## Hospital Discounted Care in Colorado going forward:

Hospital Discounted Care created landmark protections for patients in Colorado, strengthened the state's ability to enroll Coloradans in public coverage, and increased consistency across hospital charity care offerings. While SB24-116 will make important adjustments through the legislative process, we also know that day-to-day engagement outside the legislative sphere by state staff, patients, advocates, and facilities promises to bring continuing improvements to this vital program.

### **Bill contacts**

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# Updating Colorado's Hospital Discounted Care Law

Support bill SB 24-116



Hospital Discounted Care is regularly identified by both large urban and small rural hospitals as their number one regulatory challenge. Resolving some of the more challenging aspects of the law will benefit all hospitals in Colorado while retaining the original benefits of the law for Colorado patients.

## What You Need to Know

As with many large-scale reforms, unanticipated operational challenges emerge post-implementation.



### Medicaid:

HDC does not do enough to incentivize enrollment in Medicaid for eligible individuals. Under the legislation, hospitals could serve as presumptive eligibility sites to give eligible patients temporary coverage on the day of service and help get them fully enrolled in Medicaid coverage.



### Physician reporting:

The statutory language mandates only reporting from hospitals despite there being a significant physician billing element to HDC. This legislation would remove hospitals from this inappropriate middleman role.



### Inconsistent billing caps:

Hospitals and providers can bill for services as a percent of gross monthly income for 36 payments. Facilities are allowed to bill up to 4%, and physicians can bill up to 2% (consistent with the HDC fee schedule) of a patient's monthly income. However, the statutory language does not effectively recognize instances where the hospital bills on behalf of an employed physician. The legislation would allow bills up to 6% when hospitals bill on behalf of physicians.



### Scope of hospital services:

The language applies to all services under the hospital's license, which inappropriately includes many services outside of the scope of HDC. The legislation would exclude primary care provided in rural health clinics.



### Colorado residency:

The language requires facilities to screen all patients despite non-Colorado residents not being eligible for HDC. The legislation would clarify in statute that an individual must attest to residing in Colorado to be eligible for hospital discounted care.

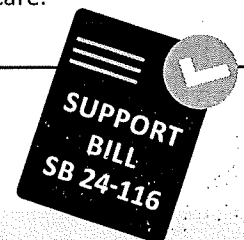


What can be done to fix this?

Support hospitals by working together to create common-sense solutions to these issues while ensuring those who need additional financial assistance are able to get it.

### CONTACT:

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# HB21-1198: Hospital Discounted Care Data Reporting

SMART Act Hearing - January 19, 2024

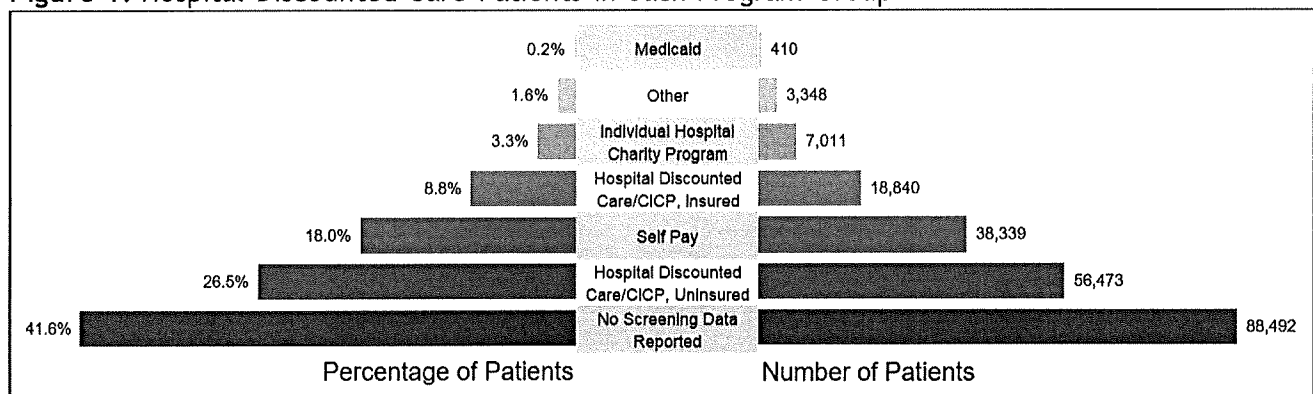
Hospitals report data the Department determines necessary to evaluate compliance across race, ethnicity, age, and primary language spoken patient groups with the screening, discounted care, payment plan, and collections practices.

Data is due annually to the Department by September 1. The first data set was due September 1, 2023 and covers September 1, 2022 through June 30, 2023. Subsequent data submissions will cover the previous state fiscal year, July through June. Of the 84 hospitals required to follow Hospital Discounted Care:

- 73 submitted data by mid-December and are included in this presentation;
- 7 submitted data by early January and are not included in this presentation;
- 2 have not submitted complete data; and
- 2 do not have data available.

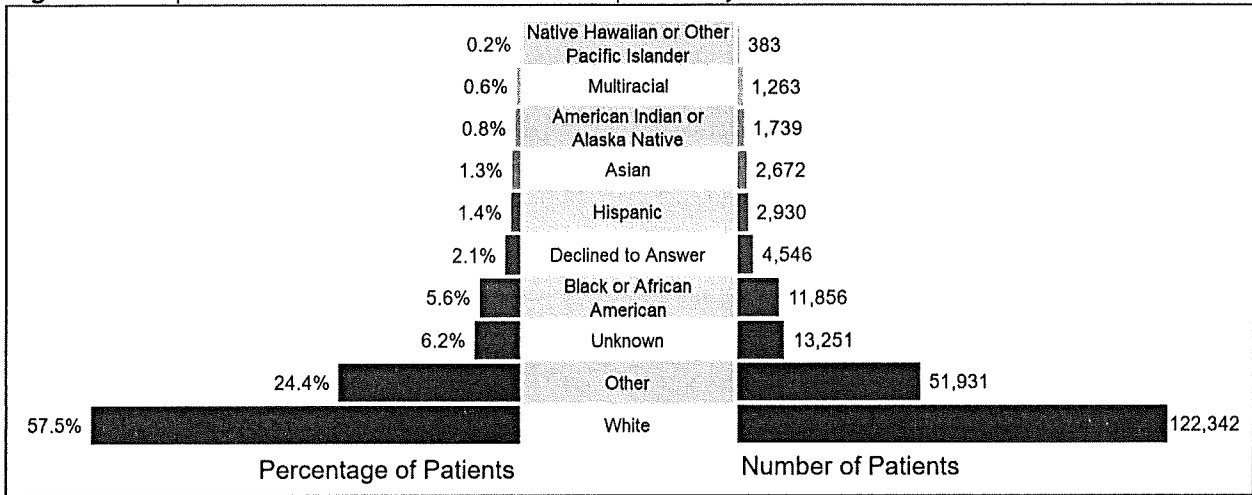
In total, demographic information was reported to the Department for 212,913 patients by the 73 hospitals that have submitted complete data. The "Other" group includes patients whose application or screening was reported to be in process, patients with Medicare coverage, and patients whose program group was not reported.

Figure 1. Hospital Discounted Care Patients in each Program Group



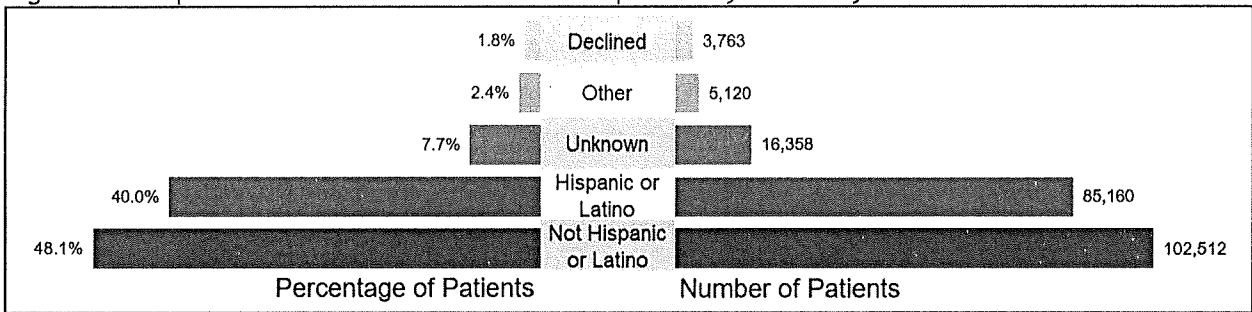
\*Information based on complete data available to HCPF as of December 15, 2023

Figure 2. Hospital Discounted Care Patients Reported by Race



\*Information based on complete data available to HCPF as of December 15, 2023

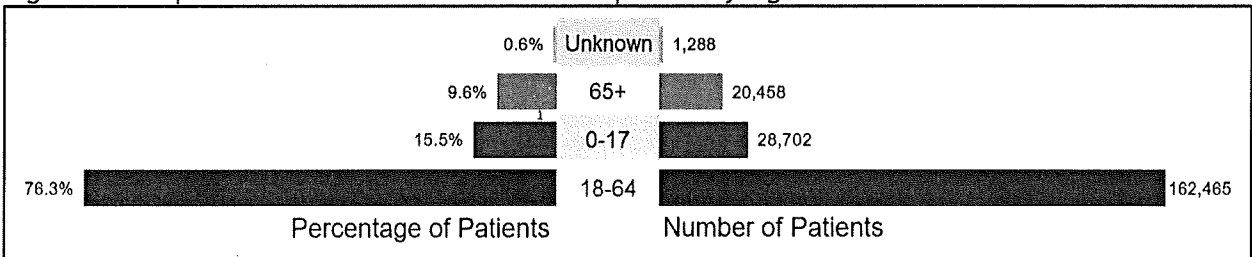
Figure 3. Hospital Discounted Care Patients Reported by Ethnicity



\*Information based on complete data available to HCPF as of December 15, 2023

Patients in the Other group, shown in Figure 3, included patients who reported their Ethnicity as Asian, Black, Central American, Cuban, Filipino, Mexican, Multiple, Nepalese, Peruvian, Puerto Rican, and White.

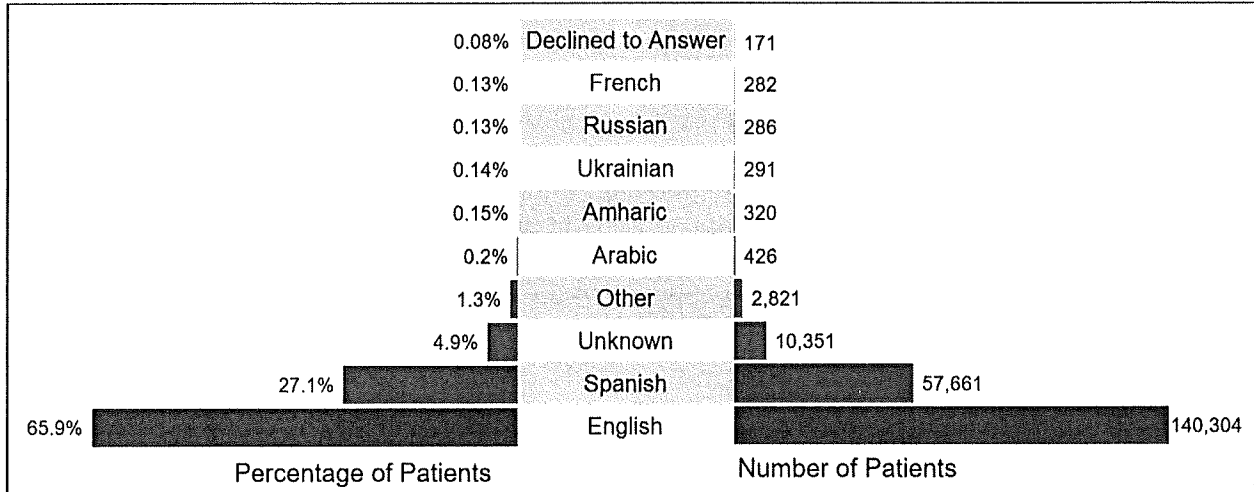
Figure 4. Hospital Discounted Care Patients Reported by Age



\*Information based on complete data available to HCPF as of December 15, 2023

Patients in the Unknown category, shown in Figure 4, include patients whose birthdates were not provided and those whose birthdays appeared to be mis-keyed, making them older than 110 or not born yet.

Figure 5. Hospital Discounted Care Patients by Preferred Language



\*Information based on complete data available to HCPF as of December 15, 2023

There were 122 different languages reported in the data, with 106 spoken by fewer than 100 patients each. Languages in the Other category, shown in Figure 5, were spoken by more than 100 patients each and include Vietnamese, Romanian, Chinese, Portuguese, Nepalese, Farsi, and Chuukese. English and Spanish made up the overwhelming majority of preferred languages, reported at 66% and 27% respectively.

Audits for Hospital Discounted Care began in December 2023 for the first year of implementation. Results will be included in the FY 2023-24 CACP Annual Report and the January 2025 SMART Hearing. Hospitals are required to submit documentation related to screenings and applications for the eligibility portion of the audit, as well as bills, payment plan, and collections information for the billing portion of the audit. Twenty hospitals have been chosen for the first round of audits which are currently being conducted and are scheduled to be completed by June 2024. Information about the implementation of Hospital Discounted Care will be included in the CACP Annual Report due to the Department's committees of reference on February 1, 2024.

**For more information, contact:**

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