

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Health & Human Services.

HB26-1267 be amended as follows:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 "SECTION 1. In Colorado Revised Statutes, **amend** 6-20-201 as
4 follows:

5 **6-20-201. Definitions.**

6 ~~For the purposes of AS USED IN this part 2, unless the context~~
7 otherwise requires:

8 (1) "Collection activity" means ~~only those~~ activities provided or
9 performed by a ~~licensed collection agency, using a business name other~~
10 ~~than the name of the health-care provider~~, MEDICAL CREDITOR for
11 purposes of collecting a MEDICAL debt. ~~The term does not include any~~
12 ~~standard billing procedures used by the health-care provider or its agent~~
13 ~~in the normal course of business on current, nondelinquent accounts.~~

14 (2) ~~"Collection agency" shall have the same meaning as in section~~
15 ~~5-16-103(3). "HEALTH-CARE GOODS OR SERVICES" MEANS HEALTH-CARE~~
16 ~~GOODS OR HEALTH-CARE SERVICES, AS DEFINED IN SECTION 10-16-102.~~

17 (3) ~~"Health-care provider" includes a health-care facility licensed~~
18 ~~pursuant to article 3 of title 25, C.R.S., and any other health-care provider~~
19 MEANS A HEALTH-CARE PROFESSIONAL REGISTERED, CERTIFIED, OR
20 LICENSED PURSUANT TO TITLE 12; A HEALTH-CARE FACILITY, AS DEFINED
21 IN SECTION 25.5-3-501; OR ANY OTHER FACILITY THAT PROVIDES
22 HEALTH-CARE GOODS OR SERVICES TO A PATIENT.

23 (4) ~~"Hospital services" means health-care services, as defined in~~
24 ~~section 10-16-102 (33) provided by a health-care facility, as defined in~~
25 ~~section 25.5-3-501 (1), or a licensed health-care professional, as defined~~
26 ~~in section 25.5-3-501 (3).~~

27 (5) (4) "Impermissible extraordinary collection action" means:

28 (a) INITIATING OR THREATENING TO INITIATE foreclosure on, OR
29 ASSERTING A LIEN ON, ATTACHING, OR SEIZING, OR THREATENING TO
30 ATTACH OR SEIZE, an individual's primary residence or homestead,
31 including a mobile home, as defined in ~~section 38-12-201.5 (5)~~ SECTION
32 38-12-201.5;

33 (b) INITIATING OR THREATENING TO INITIATE A COLLECTION
34 ACTIVITY AGAINST AN INDIVIDUAL WHO IS NOT A PATIENT;

35 (c) INITIATING OR THREATENING TO INITIATE ATTACHMENT OR
36 FORECLOSURE ON AN INDIVIDUAL'S TANGIBLE PERSONAL PROPERTY;

37 (d) THREATENING AN INDIVIDUAL WITH DEPORTATION, OR
38 CONTACTING AUTHORITIES, BASED ON PERCEIVED OR ACTUAL
39 IMMIGRATION STATUS; WITHHOLDING DOCUMENTS REQUIRED FOR
40 IMMIGRATION; OR THREATENING TO INTERFERE WITH AN ACTIVE

1 IMMIGRATION APPLICATION OR PROCESS;

2 (e) SEEKING OR SUPPORTING A WARRANT FOR, OR OTHERWISE
3 PROMOTING, THE ARREST OR DETAINMENT OF AN INDIVIDUAL IN ANY
4 LEGAL ACTION AGAINST THE INDIVIDUAL IN CONNECTION WITH AN ACTION
5 TO COLLECT OR ATTEMPT TO COLLECT MEDICAL DEBT, INCLUDING ON
6 MOTIONS RELATED TO DISCOVERY OR CONTEMPT OF COURT;

7 (f) GARNISHING OR THREATENING TO GARNISH AN INDIVIDUAL'S
8 WAGES;

9 (g) ASSERTING A LIEN ON, ATTACHING, OR SEIZING, OR
10 THREATENING TO ATTACH OR SEIZE, ANY AMOUNTS IN OR INCOME FROM
11 A RETIREMENT ACCOUNT; A PENSION FUND; AN EDUCATIONAL SAVINGS OR
12 EXPENSE ACCOUNT; ANNUITY BENEFITS; OR AN ACHIEVING A BETTER LIFE
13 EXPERIENCE SAVINGS ACCOUNT, CREATED IN ACCORDANCE WITH SECTION
14 23-3.1-311, OR A SIMILAR TYPE OF SAVINGS ACCOUNT FOR AN INDIVIDUAL
15 WITH A DISABILITY; OR

16 (h) ASSERTING A LIEN ON, ATTACHING, OR SEIZING, OR
17 THREATENING TO ATTACH OR SEIZE, ANY AMOUNT IN AN INDIVIDUAL'S
18 ACCOUNT NOT DESCRIBED IN SUBSECTION (4)(g) OF THIS SECTION AT A
19 BANK OR OTHER FINANCIAL INSTITUTIONS, UNLESS:

20 (I) THE ACCOUNT BELONGS TO THE PATIENT;

21 (II) THE LIEN, ATTACHMENT, OR SEIZURE DOES NOT REDUCE THE
22 OVERALL BALANCE IN THE PATIENT'S ACCOUNTS WITH THE BANK AND
23 OTHER FINANCIAL INSTITUTIONS BELOW FIFTEEN THOUSAND DOLLARS,
24 EXCLUDING THE AMOUNTS DESCRIBED IN SUBSECTION (4)(g) OF THIS
25 SECTION; AND

26 (III) A JUDGE ISSUES AN ORDER AGAINST THE BANK OR OTHER
27 FINANCIAL INSTITUTION THAT HOLD A PATIENT'S ACCOUNT INSTRUCTING
28 THE BANK OR OTHER FINANCIAL INSTITUTION THAT THE LIEN,
29 ATTACHMENT, OR SEIZURE APPLIES ONLY TO AN AMOUNT THAT THE
30 PATIENT HOLDS IN ACCOUNTS WITH THE BANK AND OTHER FINANCIAL
31 INSTITUTIONS THAT EXCEEDS FIFTEEN THOUSAND DOLLARS, EXCLUDING
32 THE AMOUNTS DESCRIBED IN SUBSECTION (4)(g) OF THIS SECTION; EXCEPT
33 THAT THIS SUBSECTION (4)(h)(III) DOES NOT APPLY IF THE JUDGMENT
34 CREDITOR ESTABLISHES BY A PREPONDERANCE OF THE EVIDENCE THAT
35 THE PATIENT HAS ALREADY CLAIMED THE EXEMPTION FOR ACCOUNTS
36 WITH A DIFFERENT INSTITUTION FOR THE DEBT.

37 ~~(6)~~ (5) "Medical creditor" means an ~~entity that attempts to collect~~
38 INDIVIDUAL OR ENTITY THAT CLAIMS ENTITLEMENT TO PAYMENTS on a
39 medical debt, including, BUT NOT LIMITED TO:

40 (a) A health-care provider or health-care provider's billing office;

41 (b) A collection agency, as defined in ~~section 5-16-103 (3)~~
42 SECTION 5-16-103;

43 (c) A debt buyer, as defined in ~~section 5-16-103 (8.5)~~ SECTION

1 5-16-103; and
2 (d) A debt collector, as defined in 15 U.S.C. sec. 1692a (6).
3 (6) "MEDICAL DEBT" HAS THE MEANING SET FORTH IN SECTION
4 5-18-103.
5 (7) "PATIENT" MEANS AN INDIVIDUAL WHO RECEIVES
6 HEALTH-CARE GOODS OR SERVICES OR THE LEGAL GUARDIAN OF A MINOR
7 WHO RECEIVES HEALTH-CARE GOODS OR SERVICES.
8 ~~(7)~~ (8) "Permissible extraordinary collection action" means an
9 action other than an impermissible extraordinary collection action that
10 requires a legal or judicial process ~~including but not limited to placing a~~
11 ~~lien on an individual's real property, attaching or seizing an individual's~~
12 ~~bank account or any other personal property, or garnishing an individual's~~
13 ~~wages~~ TO COLLECT MEDICAL DEBT FROM A PATIENT. A permissible
14 extraordinary collection action does not include the assertion of a hospital
15 lien pursuant to section 38-27-101.
16 **SECTION 2.** In Colorado Revised Statutes, 6-20-203, **amend** (3),
17 (4)(c), (4)(d), and (7); and **add** (8) and (9) as follows:
18 **6-20-203. Limitations on collection actions - notice**
19 **requirement - definition.**
20 (3) (a) Beginning September 1, 2022, at least thirty days before
21 taking any permissible extraordinary collection action, a medical creditor,
22 as defined in ~~section 6-20-201(6)(a)~~ SECTION 6-20-201 (5)(a), collecting
23 on a debt for ~~hospital services~~ HEALTH-CARE GOODS OR SERVICES shall
24 notify the patient of potential collection actions and shall include with the
25 notice a statement developed by the department of health care policy and
26 financing that explains the availability of discounted care for qualified
27 individuals and how to apply for such care.
28 (b) (I) A medical creditor, as defined in ~~section 6-20-201(6)(b);~~
29 ~~(6)(c), or (6)(d)~~ SECTION 6-20-201 (5)(b), (5)(c), OR (5)(d), collecting on
30 a debt for ~~hospital services~~ HEALTH-CARE GOODS OR SERVICES shall
31 include the following statement in the notices the medical creditor
32 provides to the patient pursuant to section 5-16-109 (1) and 15 U.S.C. sec.
33 1692g (a): "Pursuant to Colorado law, discounts for ~~hospital services~~
34 HEALTH-CARE GOODS OR SERVICES are available for qualified
35 individuals." The statement must include a link to the written explanation
36 of the patient's rights that is posted to the department of health care policy
37 and financing's website pursuant to section 25.5-3-505 (5)(a).
38 (II) A medical creditor, as defined in ~~section 6-20-201(6)(b);~~
39 ~~(6)(c), or (6)(d)~~ SECTION 6-20-201 (5)(b), (5)(c), OR (5)(d), shall not take
40 any permissible extraordinary collection actions until the later of thirty
41 days from the date of sending the notice required pursuant to subsection
42 (3)(b)(I) of this section or the completion of the validation requirements
43 described in section 5-16-109 (2) and 15 U.S.C. sec. 1692g (b).

1 (4) Beginning September 1, 2022, if a medical creditor collecting
2 on a debt for ~~hospital services~~ HEALTH-CARE GOODS OR SERVICES bills or
3 initiates collection activities and it is later determined that the patient
4 should have been screened pursuant to section 25.5-3-503 and is
5 determined to be a qualified patient, as defined in section 25.5-3-501 (5),
6 or it is determined that the patient's bill is eligible for reimbursement
7 through a public health-care coverage program, the medical creditor shall:

8 (c) As the term "medical creditor" is defined in ~~section 6-20-201~~
9 ~~(6)(a)~~ SECTION 6-20-201 (5)(a), refund any excess amount to the patient
10 if the patient has paid any part of the medical debt or if any of the
11 patient's money has been seized or levied in excess of the amount that the
12 patient owes after application of required discounts;

13 (d) As the term "medical creditor" is defined in ~~sections 6-20-201~~
14 ~~(6)(b), (6)(c), and (6)(d)~~ SECTIONS 6-20-201 (5)(b), (5)(c), AND (5)(d), if
15 the patient has paid any part of the medical debt or if any of the patient's
16 money has been seized or levied in excess of the amount that the patient
17 owes after application of required discounts, refund any excess amount
18 to the patient to the extent the medical creditor has not already remitted
19 such an amount to the health-care provider; and

20 (7) ~~Nothing in this section limits or affects~~ THIS SECTION DOES
21 NOT LIMIT OR AFFECT a health-care provider's right to pursue against any
22 party other than the patient the collection of personal injury, liability,
23 uninsured, underinsured, medical payment rehabilitation, disability,
24 homeowner's, business owner's, workers' compensation, fault-based
25 insurance, subrogated claims, or other claims not against the patient, AS
26 LONG AS THE COLLECTION ACTIONS TAKEN ARE NOT IMPERMISSIBLE
27 EXTRAORDINARY COLLECTION ACTIONS.

28 (8) ANY COLLECTION ACTIVITIES THAT DO NOT COMPLY WITH THIS
29 PART 2 ARE VOID AND SHALL BE DISMISSED BY THE COURT, AND THE
30 MEDICAL CREDITOR INITIATING THE COLLECTION ACTIVITY IS LIABLE TO
31 THE PATIENT FOR THREE THOUSAND DOLLARS OR ANY ACTUAL DAMAGES
32 SUSTAINED AS A RESULT OF NONCOMPLIANCE, WHICHEVER IS GREATER,
33 AND ANY ATTORNEY FEES OR COSTS INCURRED BY THE PATIENT.

34 (9) THIS SECTION DOES NOT LIMIT ANY OTHER LEGAL OR
35 EQUITABLE REMEDIES AVAILABLE TO THE PATIENT.

36 **SECTION 3.** In Colorado Revised Statutes, 5-16-103, **amend**
37 (3)(d) as follows:

38 **5-16-103. Definitions.**

39 As used in this article 16, unless the context otherwise requires:

40 (3) (d) (I) For the purposes of section 5-16-108 (1)(f), "collection
41 agency" includes any person engaged in any business the principal
42 purpose of which is the enforcement of security interests. For purposes of
43 sections 5-16-104, 5-16-105, 5-16-106, 5-16-107, 5-16-108, and 5-16-109

1 only, "collection agency" includes a debt collector for the department of
2 personnel.

3 (II) FOR THE PURPOSES OF SECTIONS 5-16-108 (1)(I), 5-16-111
4 (1.5)(a), AND 5-16-113, "COLLECTION AGENCY" INCLUDES A MEDICAL
5 CREDITOR, AS DEFINED IN SECTION 6-20-201.

6 **SECTION 4.** In Colorado Revised Statutes, 5-16-108, **amend**
7 (1)(I) as follows:

8 **5-16-108. Unfair practices.**

9 (1) A debt collector or collection agency shall not use unfair or
10 unconscionable means to collect or attempt to collect any debt, including,
11 but not limited to, the following conduct:

12 (I) An attempt to collect a debt that violates ~~the provisions of~~
13 ~~section 6-20-203 (1), (2), (3)(b), (4)(a), (4)(b)(I), (4)(d), (4)(e), or (5)(a)~~
14 ~~to (5)(c)~~ SECTION 6-20-203.

15 **SECTION 5.** In Colorado Revised Statutes, 5-16-111, **amend**
16 (1.5)(a) as follows:

17 **5-16-111. Legal actions by collection agencies.**

18 (1.5) A debt collector, or collection agency that is not a creditor
19 or debt buyer, shall not be the named plaintiff in a legal action or take any
20 legal action on a debt against a consumer unless the debt collector or
21 collection agency:

22 (a) Ensures that the name of the original creditor or assignor and
23 the name of the debt collector or collection agency are included in the
24 case caption of the complaint, in that order. ~~and~~ IF THERE ARE MULTIPLE
25 ORIGINAL CREDITORS OR ASSIGNORS, EACH ORIGINAL CREDITOR OR
26 ASSIGNOR MUST BE LISTED IN THE CASE CAPTION AS A SEPARATE
27 PLAINTIFF, AND THEIR INCLUSION IN THE ACTION MUST COMPLY WITH THE
28 RULES OF PERMISSIVE JOINDER PURSUANT TO THE COLORADO RULES OF
29 CIVIL PROCEDURE. JOINDER OF ACTIONS SUA SPONTE BY A COURT DOES
30 NOT VIOLATE THIS SUBSECTION (1.5).

31 **SECTION 6.** In Colorado Revised Statutes, 13-80-101, **add**
32 (1)(q) as follows:

33 **13-80-101. General limitation of actions - three years.**

34 (1) The following civil actions, regardless of the theory upon
35 which suit is brought, or against whom suit is brought, shall be
36 commenced within three years after the cause of action accrues, and not
37 thereafter:

38 (q) PERMISSIBLE EXTRAORDINARY COLLECTION ACTIONS FOR THE
39 COLLECTION OF MEDICAL DEBT, AS DEFINED IN SECTION 6-20-201.

40 **SECTION 7.** In Colorado Revised Statutes, 13-80-103.5, **amend**
41 (1)(a) as follows:

42 **13-80-103.5. General limitation of actions - six years.**

43 (1) The following actions shall be commenced within six years

1 after the cause of action accrues and not thereafter:

2 (a) All actions to recover a liquidated debt or an unliquidated,
3 determinable amount of money due to the person bringing the action, all
4 actions for the enforcement of rights set forth in any instrument securing
5 the payment of or evidencing any debt, and all actions of replevin to
6 recover the possession of personal property encumbered under any
7 instrument securing any debt; except that:

8 (I) Actions to recover MADE pursuant to section 38-35-124.5 (3)
9 ~~C.R.S.~~, shall be commenced within one year; AND

10 (II) PERMISSIBLE EXTRAORDINARY COLLECTION ACTIONS
11 INVOLVING MEDICAL DEBT PURSUANT TO PART 2 OF ARTICLE 20 OF TITLE
12 6 ARE GOVERNED BY THE LIMITATION DESCRIBED IN SECTION 13-80-101
13 (1)(q).

14 **SECTION 8.** In Colorado Revised Statutes, **amend** 14-6-110 as
15 follows:

16 **14-6-110. Joint liability for family expenses.**

17 (1) The expenses of the family and the education of the children
18 are chargeable upon the property of both ~~husband and wife~~ SPOUSES, or
19 either of them, and ~~in relation thereto they~~ THE SPOUSES may be sued
20 jointly or separately.

21 (2) THIS SECTION DOES NOT APPLY TO MEDICAL DEBT, AS DEFINED
22 IN SECTION 5-18-103.

23 **SECTION 9.** In Colorado Revised Statutes, 25.5-3-506 , **amend**
24 (1) introductory portion as follows:

25 **25.5-3-506. Limitations on collection actions - private**
26 **enforcement.**

27 (1) Beginning September 1, 2022, before assigning or selling
28 patient debt to a collection agency, as defined in section 5-16-103 (3)(a),
29 or a debt buyer, as defined in section 5-16-103 (8.5), or before pursuing,
30 either directly or indirectly, any permissible extraordinary collection
31 action, as defined in section 6-20-201 (~~7~~).

32 **SECTION 10. Safety clause.** The general assembly finds,
33 determines, and declares that this act is necessary for the immediate
34 preservation of the public peace, health, or safety or for appropriations for
35 the support and maintenance of the departments of the state and state
36 institutions."

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