

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0023.01 Shelby Ross x4510

HOUSE BILL 26-1267

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HOUSE SPONSORSHIP

Joseph and Mabrey,

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Health & Human Services

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A BILL FOR AN ACT

101 CONCERNING LIMITATIONS ON COLLECTION ACTIONS FOR MEDICAL  
102 DEBT.

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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 adds to the list of impermissible collection actions that a medical creditor is prohibited from using when collecting on a medical debt. Current law requires a medical creditor to comply with certain conditions and notify a patient with medical debt 30 days before taking any permissible extraordinary collection actions. In addition to providing notice before taking any permissible extraordinary collection actions, the

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

bill requires a medical creditor to notify a patient 30 days before collecting, transferring, selling, or assigning a medical debt, and to verify the patient has been screened for public health insurance programs and discounted care. The bill requires a medical creditor to offer a reasonable payment plan to each patient with medical debt. If the medical creditor violates the requirements for selling, transferring, or assigning medical debt, or undertaking collection activities, the patient is entitled to damages in the amount of \$3,000 or actual damages, whichever is greater.

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

2 **SECTION 1.** In Colorado Revised Statutes, 25.5-3-501, **amend**  
3 (6) as follows:

4 **25.5-3-501. Definitions.**

5 As used in this part 5, unless the context otherwise requires:

6 (6) "Screen" or "screening" means a process identified in rule by  
7 the state department whereby health-care facilities assess a patient's  
8 circumstances related to eligibility criteria and determine whether the  
9 patient is likely to qualify for public ~~health-care coverage~~ HEALTH  
10 INSURANCE PROGRAMS or discounted care, inform the patient of the  
11 health-care facility's determination, and provide information to the patient  
12 about how the patient can enroll in A public ~~health-care coverage~~ HEALTH  
13 INSURANCE PROGRAM.

14 **SECTION 2.** In Colorado Revised Statutes, **amend** 25.5-3-502  
15 as follows:

16 **25.5-3-502. Requirement to screen patients for eligibility for**  
17 **public health-care programs and discounted care - rules.**

18 (1) ~~Beginning September 1, 2022,~~ A health-care facility shall  
19 screen, unless a patient declines, each uninsured patient for eligibility for:

20 (a) Public health insurance programs, including, but not limited  
21 to, medicare; the state medical assistance program, articles 4, 5, and 6 of

1 this title 25.5; emergency medicaid; and the children's basic health plan,  
2 article 8 of this title 25.5; and

3 (b) Repealed.

4 (c) Discounted care, as described in section 25.5-3-503.

5 (1.5) IF REQUESTED BY AN INSURED PATIENT, A HEALTH-CARE  
6 FACILITY SHALL SCREEN THE PATIENT FOR DISCOUNTED CARE, AS  
7 DESCRIBED IN SECTION 25.5-3-503.

8 (2) Health-care facilities shall use a single uniform application  
9 developed by the state department when screening a patient pursuant to  
10 ~~subsection (1)~~ SUBSECTIONS (1) AND (1.5) of this section.

11 (3) If a health-care facility determines that a patient is ineligible  
12 for discounted care, the facility shall provide the patient notice of the  
13 determination and an opportunity for the patient to appeal the  
14 determination in accordance with state department rules.

15 (4) If the patient declines the screening described in subsection (1)  
16 of this section, the health-care facility shall document the patient's  
17 decision in accordance with state department rules. A patient's decision  
18 to decline the screening that is documented and complies with state  
19 department rules is a complete defense to a claim brought by a patient  
20 ~~under~~ PURSUANT TO section 25.5-3-506 (2) for a violation of section  
21 25.5-3-506 (1)(a) ~~or (1)(b)~~ OR (1)(c).

22 (5) ~~If requested by the patient, a health-care facility shall screen~~  
23 ~~an insured patient for discounted care pursuant to subsections (1)(b) and~~  
24 ~~(1)(c) of this section.~~

25 **SECTION 3.** In Colorado Revised Statutes, 25.5-3-503, **amend**  
26 (1) introductory portion and (1)(b) as follows:

27 **25.5-3-503. Discounted care for qualified patients - definition.**

1 (1) ~~Beginning September 1, 2022,~~ If a patient is screened pursuant  
2 to section 25.5-3-502 and is determined to be a qualified patient, a  
3 health-care facility and a licensed health-care professional shall, for  
4 emergency hospital and other health-care services:

5 (b) Collect amounts charged, not including amounts owed by  
6 third-party payers, in monthly installments such that the patient is not  
7 paying more than:

8 (I) Four percent of the patient's monthly household income on a  
9 bill from a health-care facility; ~~not paying more than~~

10 (II) Two percent of the patient's monthly household income on a  
11 bill from each licensed health-care professional; and ~~not paying more than~~

12 (III) Six percent of the patient's household income on a  
13 comprehensive bill containing all health-care facility and licensed  
14 health-care professional charges; and

15 **SECTION 4.** In Colorado Revised Statutes, 25.5-3-504, **amend**  
16 (1) introductory portion and (1)(a) as follows:

17 **25.5-3-504. Notification of patients' rights.**

18 (1) ~~Beginning September 1, 2022,~~ A health-care facility shall  
19 make information developed by the state department about patients' rights  
20 ~~under this part 5~~ PURSUANT TO SECTION 25.5-3-505 (5)(a) and the uniform  
21 application developed by the state department pursuant to section  
22 25.5-3-505 (2)(i) available to the public and to each patient. At a  
23 minimum, the health-care facility shall:

24 (a) Post the information ~~in all required languages pursuant to this~~  
25 ~~subsection (1)~~ IN ALL REQUIRED LANGUAGES conspicuously on the  
26 health-care facility's website, including a link to the information on the  
27 health-care facility's main landing page;

1           **SECTION 5.** In Colorado Revised Statutes, 25.5-3-505, **amend**  
2 (1), (2) introductory portion, (2)(a), (2)(b), (2)(c) introductory portion,  
3 (2)(c)(I), (2)(e), (2)(g), (2)(h), (3), (4), (5) introductory portion, and (5)(a)  
4 as follows:

5           **25.5-3-505. Reporting requirements - rules.**

6           (1) Beginning September 1, 2023, and each September 1  
7 thereafter, each health-care facility and licensed health-care professional  
8 shall report to the state department data ACROSS RACE, ETHNICITY, AGE,  
9 AND PRIMARY-LANGUAGE-SPOKEN PATIENT GROUPS that the state  
10 department determines is necessary to evaluate compliance ~~across race,~~  
11 ~~ethnicity, age, and primary-language-spoken patient groups~~ with the  
12 screening, discounted care, payment plan, and collections practices  
13 required pursuant to this part 5. If a health-care facility or licensed  
14 health-care professional is not capable of disaggregating the data required  
15 pursuant to this subsection (1) by race, ethnicity, age, and primary  
16 language spoken, the health-care facility or licensed health-care  
17 professional shall report to the state department the steps the  
18 HEALTH-CARE facility or licensed health-care professional is taking to  
19 improve race, ethnicity, age, and primary-language-spoken data collection  
20 and the date by which the HEALTH-CARE facility or licensed health-care  
21 professional will be able to disaggregate the reported data.

22           (2) ~~No later than April 1, 2022,~~ The state board shall **promulgate**  
23 **ADOPT** rules necessary for the administration and implementation of this  
24 part 5. At a minimum, the rules must:

25           (a) Outline a process for an insured patient to request a screening  
26 pursuant to ~~section 25.5-3-502(5)~~ SECTION 25.5-3-502 (1.5);

27           (b) Outline a process for documenting ~~pursuant to section~~

1 ~~25.5-3-502 (4)~~, that a patient has made an informed decision to decline  
2 the screening PURSUANT TO SECTION 25.5-3-502 (4), including procedures  
3 for retaining ~~such~~ THE documentation;

4 (c) Establish ~~the~~ A process for A HEALTH-CARE FACILITY TO, and  
5 ESTABLISH the maximum number of days that a health-care facility has to,  
6 DO THE FOLLOWING:

7 (I) Initiate a screening after a patient receives HEALTH-CARE  
8 GOODS OR services;

9 (e) Establish guidelines for A patient ~~appeals regarding~~ TO APPEAL  
10 THE DETERMINATION FOR eligibility for discounted care pursuant to  
11 section 25.5-3-503;

12 (g) Identify the documents, USING THE MINIMUM AMOUNT OF  
13 INFORMATION NEEDED, that may be required to establish income  
14 eligibility for discounted care; ~~using the minimum amount of information~~  
15 ~~needed to determine eligibility~~;

16 (h) Identify the steps a health-care facility and licensed health-care  
17 professional must take before sending ~~patient~~ A PATIENT'S MEDICAL debt  
18 to collections, INCLUDING COMPLYING WITH THE REQUIREMENTS  
19 DESCRIBED IN PART 2 OF ARTICLE 20 OF TITLE 6;

20 (3) In ~~promulgating~~ ADOPTING rules pursuant to this section, the  
21 state department shall consider potential limitations relating to the federal  
22 "Emergency Medical Treatment and Labor Act", 42 U.S.C. sec. 1395dd.

23 (4) Prior to ~~promulgating~~ ADOPTING rules pursuant to this section,  
24 the state department shall hold at least one stakeholder meeting with  
25 hospital representatives, health-care consumers, and health-care consumer  
26 advocates that is accessible to individuals whose primary language is not  
27 English, if requested.

1 (5) ~~No later than April 1, 2022,~~ The state department shall:

2 (a) Using feedback from hospital health-care consumers and  
3 health-care consumer ~~advocate stakeholders~~ ADVOCATES, develop a  
4 written explanation of a patient's rights ~~under~~ PURSUANT TO this section  
5 that is written in plain language at a sixth-grade reading level and  
6 translated into all languages spoken by ten percent or more of the  
7 population in each county of the state and post the written explanation in  
8 all required languages on the state department's website. Each health-care  
9 facility shall make the explanation available to the public and each patient  
10 as provided in section 25.5-3-504.

11 **SECTION 6.** In Colorado Revised Statutes, 25.5-3-506, **amend**  
12 (1) as follows:

13 **25.5-3-506. Limitations on collection actions - private**  
14 **enforcement.**

15 (1) ~~Beginning September 1, 2022, before assigning, or selling~~  
16 ~~patient debt, to a collection agency, as defined in section 5-16-103 (3)(a),~~  
17 ~~or a debt buyer, as defined in section 5-16-103 (8.5)~~ BEFORE ASSIGNING,  
18 SELLING, OR OTHERWISE TRANSFERRING MEDICAL DEBT, AS DEFINED IN  
19 SECTION 6-20-201, TO A MEDICAL CREDITOR, AS DEFINED IN SECTION  
20 6-20-201, or before pursuing, either directly or indirectly, any permissible  
21 extraordinary collection action, as defined in ~~section 6-20-201 (7)~~  
22 SECTION 6-20-201:

23 (a) A health-care facility shall meet the screening requirements in  
24 section 25.5-3-502;

25 (b) A health-care facility and licensed health-care professional  
26 shall provide discounted care to THE PATIENT IF THE PATIENT IS a  
27 QUALIFIED patient pursuant to section 25.5-3-503, IF APPLICABLE;

1 (c) A health-care facility and licensed health-care professional  
2 shall ~~provide a plain language explanation of the health-care services and~~  
3 ~~fees being billed and notify the patient of potential collection actions~~  
4 COMPLY WITH THE REQUIREMENTS DESCRIBED IN PART 2 OF ARTICLE 20 OF  
5 TITLE 6, INCLUDING THE NOTICE REQUIREMENT AND REQUIREMENT TO  
6 OFFER THE PATIENT A REASONABLE PAYMENT PLAN, IN RELATION TO THE  
7 MEDICAL DEBT BEING SOLD, ASSIGNED, TRANSFERRED, OR COLLECTED; and

8 (d) A health-care facility and LICENSED health-care professional  
9 shall bill any third-party payer that is responsible for providing  
10 ~~health-care~~ HEALTH INSURANCE coverage to the patient. If a health-care  
11 professional is ~~an out-of-network provider~~ OUT OF NETWORK under a  
12 qualified patient's health insurance plan, the health-care professional and  
13 health insurance carrier shall comply with the out-of-network billing  
14 requirements described in sections 10-16-704 (3) and 12-30-113.

15 **SECTION 7.** In Colorado Revised Statutes, **amend** part 2 of  
16 article 20 of title 6 as follows:

17 PART 2

18 LIMITATIONS ON MEDICAL DEBT COLLECTION

19 **6-20-201. Definitions.**

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

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

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

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

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

14           (5) (4) "Impermissible extraordinary collection action" means:

15           (a) INITIATING OR THREATENING TO INITIATE foreclosure on, OR  
16 ASSERTING A LIEN ON, ATTACHING, OR SEIZING, OR THREATENING TO  
17 ATTACH OR SEIZE, an individual's primary residence or homestead,  
18 including a mobile home, as defined in ~~section 38-12-201.5 (5)~~ SECTION  
19 38-12-201.5;

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

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

24           (d) THREATENING AN INDIVIDUAL WITH DEPORTATION, OR  
25 CONTACTING AUTHORITIES, BASED ON PERCEIVED OR ACTUAL  
26 IMMIGRATION STATUS; WITHHOLDING DOCUMENTS REQUIRED FOR  
27 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; A STOCK BONUS; A PROFIT-SHARING PLAN; ANNUITY  
13 BENEFITS; OR AN ACHIEVING A BETTER LIFE EXPERIENCE SAVINGS  
14 ACCOUNT, CREATED IN ACCORDANCE WITH SECTION 23-3.1-311, OR A  
15 SIMILAR TYPE OF SAVINGS ACCOUNT FOR AN INDIVIDUAL WITH A  
16 DISABILITY; OR

17 (h) IN ADDITION TO AMOUNTS EXEMPTED PURSUANT TO  
18 SUBSECTION (4)(g) OF THIS SECTION, ASSERTING A LIEN ON, ATTACHING,  
19 OR SEIZING, OR THREATENING TO ATTACH OR SEIZE, ANY AMOUNT IN AN  
20 INDIVIDUAL'S ACCOUNT AT A BANK OR OTHER FINANCIAL INSTITUTION,  
21 UNLESS:

22 (I) THE ACCOUNT BELONGS TO THE PATIENT;

23 (II) THE LIEN, ATTACHMENT, OR SEIZURE DOES NOT REDUCE THE  
24 OVERALL BALANCE IN THE PATIENT'S ACCOUNTS WITH THE BANK OR OTHER  
25 FINANCIAL INSTITUTION BELOW THIRTY THOUSAND DOLLARS; AND

26 (III) A JUDGE ISSUES AN ORDER AGAINST A BANK OR OTHER  
27 FINANCIAL INSTITUTION THAT HOLDS A PATIENT'S ACCOUNT INSTRUCTING

1 THE BANK OR OTHER FINANCIAL INSTITUTION THAT THE LIEN,  
2 ATTACHMENT, OR SEIZURE APPLIES ONLY TO AN AMOUNT THAT THE  
3 PATIENT HOLDS IN ACCOUNTS WITH THE BANK OR OTHER FINANCIAL  
4 INSTITUTION THAT EXCEEDS THIRTY THOUSAND DOLLARS; EXCEPT THAT  
5 THIS SUBSECTION (4)(g)(III) DOES NOT APPLY IF THE JUDGMENT CREDITOR  
6 ESTABLISHES BY A PREPONDERANCE OF EVIDENCE THAT THE PATIENT HAS  
7 ALREADY CLAIMED THE EXEMPTION FOR ACCOUNTS WITH A DIFFERENT  
8 INSTITUTION FOR THE DEBT.

9 ~~(6)~~ (5) "Medical creditor" means AN INDIVIDUAL OR ENTITY THAT  
10 CLAIMS ENTITLEMENT TO PAYMENTS ON A MEDICAL DEBT. ~~an entity that~~  
11 ~~attempts to collect on a medical debt, including:~~

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

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

14 ~~(c) A debt buyer, as defined in section 5-16-103 (8.5); and~~

15 ~~(d) A debt collector, as defined in 15 U.S.C. sec. 1692a (6).~~

16 (6) "MEDICAL DEBT" HAS THE MEANING SET FORTH IN SECTION  
17 5-18-103.

18 (7) "PATIENT" MEANS AN INDIVIDUAL WHO RECEIVES  
19 HEALTH-CARE GOODS OR SERVICES OR THE LEGAL GUARDIAN OF A MINOR  
20 WHO RECEIVES HEALTH-CARE GOODS OR SERVICES.

21 ~~(7)~~ (8) "Permissible extraordinary collection action" means an  
22 action other than an impermissible extraordinary collection action that  
23 requires a legal or judicial process ~~including but not limited to placing a~~  
24 ~~lien on an individual's real property, attaching or seizing an individual's~~  
25 ~~bank account or any other personal property, or garnishing an individual's~~  
26 ~~wages~~ TO COLLECT MEDICAL DEBT FROM A PATIENT. A permissible  
27 extraordinary collection action does not include the assertion of a hospital

1 lien pursuant to section 38-27-101.

2 **6-20-202. Notice to patient of debt.**

3 ~~(1) (a) When a person has health benefit coverage to provide~~  
4 ~~payment for care or treatment rendered by a health-care provider and the~~  
5 ~~person has notified the health-care provider of coverage within thirty days~~  
6 ~~after the date the care or treatment was rendered, and if the health~~  
7 ~~coverage plan, as defined in section 10-16-102 (34), C.R.S., pays only a~~  
8 ~~portion of the debt, prior to the assignment of the debt to a licensed~~  
9 ~~collection agency, the health-care provider shall mail written notice to the~~  
10 ~~last-known address of the person responsible for payment of the debt at~~  
11 ~~least thirty days before any collection activity on any amount due and~~  
12 ~~owing the health-care provider.~~

13 ~~(b) The notice required of health-care providers by paragraph (a)~~  
14 ~~of this subsection (1) shall include the amount due and owing; the name,~~  
15 ~~address, and telephone number of the health-care provider; where~~  
16 ~~payment may be made; the date of service; and the last date or number of~~  
17 ~~days after the date of the notice the health-care provider will accept~~  
18 ~~payment prior to the debt being submitted to a collection agency or~~  
19 ~~reporting adverse information to a consumer reporting agency for the debt~~  
20 ~~for which notice was provided.~~

21 ~~(2) (a) If the health-care provider fails to provide the person with~~  
22 ~~notice of such debt and all other information required by subsection (1)~~  
23 ~~of this section, the health-care provider shall not pursue any rights to~~  
24 ~~collect such outstanding amount either through a collection agency or by~~  
25 ~~any further efforts of the health-care provider to collect the debt. In~~  
26 ~~addition, the health-care provider may not report adverse information to~~  
27 ~~a consumer reporting agency for the debt for which notice was provided~~

1 without providing notice to the person pursuant to subsection (1) of this  
2 section. The health-care provider shall assist the person in correcting any  
3 adverse credit information because of the health-care provider's failure to  
4 provide notice pursuant to subsection (1) of this section.

5 (b) Notwithstanding any provision of this section to the contrary,  
6 a health-care provider may remedy a failure to give notice by providing  
7 a written report to the collection agency to withhold any collection  
8 activity and withholding any of the health-care provider's own collection  
9 efforts until the provider complies with the notice and time requirements  
10 pursuant to subsection (1) of this section.

11 (c) Nothing in this subsection (2) shall be construed to require a  
12 health-care provider to perform additional attempts to notify a person of  
13 the person's portion of the debt other than mailing the notice required  
14 pursuant to subsection (1) of this section to the person's last-known  
15 address and maintaining a record of such mailing.

16 (d) The failure of a health-care provider or its agent to provide the  
17 notice required by subsection (1) of this section shall not create a cause  
18 of action or remedy against a collection agency under the "Colorado Fair  
19 Debt Collection Practices Act", article 16 of title 5.

20 **6-20-203. Limitations on collection actions - notice**  
21 **requirement - definition.**

22 (1) ~~Beginning June 1, 2022,~~ A MEDICAL CREDITOR COLLECTING ON  
23 A MEDICAL DEBT FOR HEALTH-CARE GOODS OR SERVICES SHALL NOT  
24 ENGAGE IN impermissible extraordinary collection actions. ~~may not be~~  
25 ~~used by any medical creditor to collect debts owed for hospital services.~~

26 (2) ~~Beginning June 1, 2022,~~ no medical creditor collecting on a  
27 debt for hospital services shall engage in any permissible extraordinary

1 ~~collection actions until one hundred eighty-two days after the date the~~  
2 ~~patient receives hospital services.~~

3 ~~(3)(a) (2) (a) Beginning September 1, 2022,~~ At least thirty days  
4 before SELLING, ASSIGNING, OR OTHERWISE TRANSFERRING A MEDICAL  
5 DEBT, OR taking any permissible extraordinary collection action, a  
6 medical creditor ~~as defined in section 6-20-201 (6)(a), collecting on a~~  
7 ~~debt for hospital services~~ shall ~~notify~~ VERIFY THE PATIENT HAS BEEN  
8 SCREENED IN ACCORDANCE WITH SECTION 25.5-3-502 (1) AND (1.5); IF THE  
9 PATIENT IS INSURED, INFORM THE PATIENT OF THE PATIENT'S RIGHT TO  
10 REQUEST A SCREENING PURSUANT TO SECTION 25.5-3-502 (1.5); PROVIDE  
11 the patient WITH A PLAIN LANGUAGE EXPLANATION OF THE MEDICAL DEBT;  
12 AND NOTIFY THE PATIENT of potential collection actions ~~and shall include~~  
13 ~~with the notice a statement developed by the department of health care~~  
14 ~~policy and financing that explains the availability of discounted care for~~  
15 ~~qualified individuals and how to apply for such care~~ BY AT LEAST TWO  
16 MEANS OF COMMUNICATION, INCLUDING THE PATIENT'S PREFERRED  
17 METHOD OF COMMUNICATION, IF KNOWN.

18 (b) THE NOTICE REQUIRED PURSUANT TO SUBSECTION (2)(a) OF  
19 THIS SECTION MUST INCLUDE THE FOLLOWING INFORMATION:

20 (I) THE PATIENT'S NAME AND CONTACT INFORMATION;

21 (II) INFORMATION ABOUT THE SCREENING REQUIREMENTS AND THE  
22 AVAILABILITY OF DISCOUNTED CARE, AS DESCRIBED IN SECTIONS  
23 25.5-3-502 AND 25.5-3-503;

24 (III) A DESCRIPTION OF EACH HEALTH-CARE GOOD OR SERVICE  
25 PROVIDED TO THE PATIENT, INCLUDING THE DATE EACH HEALTH-CARE  
26 GOOD OR SERVICE WAS PROVIDED TO THE PATIENT AND THE AMOUNT  
27 CHARGED FOR EACH HEALTH-CARE GOOD OR SERVICE;

1 (IV) THE NAME, ADDRESS, AND CONTACT INFORMATION FOR THE  
2 HEALTH-CARE PROVIDER THAT PROVIDED EACH HEALTH-CARE GOOD OR  
3 SERVICE TO THE PATIENT;

4 (V) A DETAILED DESCRIPTION OF ALL REDUCTIONS, ADJUSTMENTS,  
5 OFFSETS, AND PAYMENTS BY THIRD-PARTY PAYERS THAT ADJUST THE  
6 INITIAL CHARGES FOR THE HEALTH-CARE GOODS OR SERVICES, INCLUDING  
7 PAYMENTS RECEIVED FROM THE PATIENT;

8 (VI) THE NAME OF THE THIRD-PARTY PAYERS TO WHOM THE  
9 INITIAL CHARGES FOR HEALTH-CARE GOODS OR SERVICES WERE  
10 SUBMITTED;

11 (VII) INFORMATION ABOUT THE POTENTIAL AVAILABILITY OF  
12 RETROACTIVE COVERAGE IF THE PATIENT ENROLLED IN THE STATE  
13 MEDICAL ASSISTANCE PROGRAM, ARTICLES 4, 5, AND 6 OF TITLE 25.5,  
14 AFTER RECEIVING THE HEALTH-CARE GOODS OR SERVICES;

15 (VIII) AN ITEMIZATION OF ANY INTEREST THAT HAS ACCRUED ON  
16 THE MEDICAL DEBT AND ANY OTHER ADDITIONAL FEES OR COSTS BEING  
17 CHARGED IN ASSOCIATION WITH THE MEDICAL DEBT, INCLUDING ANY  
18 ATTORNEY FEES;

19 (IX) THE FINAL AMOUNT THE PATIENT IS LIABLE TO PAY, WHICH  
20 MUST BE PROMINENTLY DISPLAYED, AFTER TAKING INTO ACCOUNT ALL  
21 APPLICABLE REDUCTIONS;

22 (X) A PLAIN LANGUAGE EXPLANATION OF THE POTENTIAL  
23 CONSEQUENCES OF DEFAULT; AND

24 (XI) A CLEAR DESCRIPTION OF THE METHODS BY WHICH PAYMENT  
25 FOR THE MEDICAL DEBT CAN BE MADE, INCLUDING AN OFFER TO ENTER  
26 INTO A REASONABLE PAYMENT PLAN PURSUANT TO SECTION 6-20-204 AND  
27 HOW TO ACCEPT THE OFFER. AT LEAST ONE OF THE METHODS FOR

1 PAYMENT MUST NOT INCLUDE ANY SERVICE CHARGE OR ADDITIONAL FEES.

2 ~~(b) (I) A medical creditor as defined in section 6-20-201 (6)(b),~~  
3 ~~(6)(c), or (6)(d), collecting on a debt for hospital services shall include the~~  
4 ~~following statement in the notices the medical creditor provides to the~~  
5 ~~patient pursuant to section 5-16-109 (1) and 15 U.S.C. sec. 1692g (a):~~  
6 ~~"Pursuant to Colorado law, discounts for hospital services are available~~  
7 ~~for qualified individuals." The statement must include a link to the written~~  
8 ~~explanation of the patient's rights that is posted to the department of~~  
9 ~~health care policy and financing's website pursuant to section 25.5-3-505~~  
10 ~~(5)(a).~~

11 ~~(H) (c) A medical creditor as defined section 6-20-201 (6)(b),~~  
12 ~~(6)(c), or (6)(d), shall not take any permissible extraordinary collection~~  
13 ~~actions until the later of thirty days from the date of sending the notice~~  
14 ~~required pursuant to subsection (3)(b)(I) of this section or the completion~~  
15 ~~of the validation requirements described in section 5-16-109 (2) and 15~~  
16 ~~U.S.C. sec. 1692g (b) UNLESS:~~

17 (I) THE MEDICAL CREDITOR DEMONSTRATES COMPLIANCE WITH  
18 THE NOTICE REQUIREMENT IN SUBSECTION (2)(a) OF THIS SECTION,  
19 INCLUDING THE DATE AND MANNER BY WHICH THE NOTICE WAS SENT TO  
20 THE PATIENT;

21 (II) LESS THAN THREE YEARS HAVE PASSED SINCE THE PATIENT  
22 INCURRED THE MEDICAL DEBT; AND

23 (III) THE MEDICAL CREDITOR DID NOT KNOW AND SHOULD NOT  
24 HAVE KNOWN ABOUT AN INTERNAL REVIEW, EXTERNAL REVIEW, OR OTHER  
25 APPEAL OF A HEALTH INSURANCE DECISION THAT IS PENDING OR WAS  
26 PENDING WITHIN THE PREVIOUS SIXTY-THREE DAYS.

27 (3) A MEDICAL CREDITOR MAY REQUEST PAYMENT OF MEDICAL

1 DEBT ONLY IF THE MEDICAL CREDITOR:

2 (a) (I) VERIFIED THE PATIENT, IF THE PATIENT IS UNINSURED, HAS  
3 BEEN SCREENED FOR PUBLIC HEALTH INSURANCE PROGRAMS AND  
4 DISCOUNTED CARE IN ACCORDANCE WITH SECTION 25.5-3-502 AND IS NOT  
5 A QUALIFIED PATIENT, AS DEFINED IN SECTION 25.5-3-501; OR

6 (II) VERIFIED THE PATIENT, IF THE PATIENT IS INSURED, HAS BEEN  
7 NOTIFIED OF THE PATIENT'S RIGHT TO BE SCREENED FOR DISCOUNTED CARE  
8 IN ACCORDANCE WITH SECTION 25.5-3-502 (1.5); AND

9 (b) OFFERED THE PATIENT A REASONABLE PAYMENT PLAN  
10 PURSUANT TO SECTION 6-20-204; AND

11 (c) GAVE THE PATIENT THIRTY DAYS TO RESPOND TO THE OFFER TO  
12 ENTER INTO A REASONABLE PAYMENT PLAN.

13 (4) ~~Beginning September 1, 2022,~~ If a medical creditor ~~collecting~~  
14 ~~on a debt for hospital services bills~~ or initiates collection activities and it  
15 is later determined that the patient should have been screened pursuant to  
16 ~~section 25.5-3-503~~ SECTION 25.5-3-502 and is determined to be a  
17 qualified patient, as defined in ~~section 25.5-3-501~~ (5) SECTION  
18 25.5-3-501, or it is determined that the patient's bill is eligible for  
19 reimbursement through a public ~~health-care coverage~~ HEALTH INSURANCE  
20 program, the medical creditor shall:

21 (a) Delete any negative reports to consumer reporting agencies;

22 (b) (I) Unless prohibited by law, if the court has entered a  
23 judgment on the medical debt:

24 (A) Request the court vacate the judgment in any collection  
25 lawsuit over the medical debt and enter into a payment plan with the  
26 patient that meets the requirements of section 25.5-3-503 (1)(b); or

27 (B) Request the court reduce the amount of the judgment,

1 including any fees and costs related to the collection lawsuit, to the total  
2 amount the patient owes pursuant to the public ~~health-care coverage~~  
3 HEALTH INSURANCE program or discounted care policy that the patient  
4 qualifies for, enter into a payment plan with the patient that meets the  
5 requirements of section 25.5-3-503 (1)(b), and suspend all execution on  
6 the judgment while the patient is compliant with the terms of the payment  
7 plan; or

8 (C) File a satisfaction of judgment such that the remaining unpaid  
9 balance of the judgment, including any fees and costs related to the  
10 collection lawsuit, is equal to the total amount the patient owes under the  
11 public ~~health-care coverage~~ HEALTH INSURANCE program or discounted  
12 care policy that the patient qualifies for, enter into a payment plan with  
13 the patient that meets the requirements of section 25.5-3-503 (1)(b), and  
14 suspend all execution on the judgment while the patient is compliant with  
15 the terms of the payment plan.

16 (II) For the purposes of ~~subsections (4)(b)(I)(B) and (4)(b)(I)(C)~~  
17 SUBSECTIONS (3)(b)(I)(B) AND (3)(b)(I)(C) of this section, the court shall  
18 refund to the parties any fees and costs paid to the court in connection  
19 with the litigation of the medical debt and the health-care provider shall  
20 indemnify the medical creditor for any fees awarded as part of the  
21 judgment in connection with the medical debt.

22 (c) ~~As the term "medical creditor" is defined in section 6-20-201~~  
23 ~~(6)(a)~~, Refund any excess amount to the patient if the patient has paid any  
24 part of the medical debt or if any of the patient's money has been seized  
25 or levied in excess of the amount that the patient owes after application  
26 of required discounts;

27 (d) ~~As the term "medical creditor" is defined in sections 6-20-201~~

1 ~~(6)(b), (6)(c), and (6)(d)~~; If the patient has paid any part of the medical  
2 debt or if any of the patient's money has been seized or levied in excess  
3 of the amount that the patient owes after application of required  
4 discounts, refund any excess amount to the patient to the extent the  
5 medical creditor has not already remitted ~~such an~~ THE amount to the  
6 health-care provider; and

7 (e) Remedy any other permissible extraordinary collection action.

8 (5) ~~Beginning September 1, 2022,~~ A medical creditor ~~collecting~~  
9 ~~on a debt for hospital services~~ shall not sell, ASSIGN, OR TRANSFER a  
10 medical debt to ~~another~~ A THIRD party unless, prior to the sale,  
11 ASSIGNMENT, OR TRANSFER, the medical ~~debt seller~~ CREDITOR INITIATING  
12 THE SALE, ASSIGNMENT, OR TRANSFER has entered into a legally binding  
13 written agreement with the medical debt buyer of the debt pursuant to  
14 which:

15 (a) The medical debt buyer agrees not to pursue impermissible  
16 extraordinary collection actions to obtain payment for the care;

17 (b) The MEDICAL debt is returnable to or recallable by the medical  
18 ~~debt seller~~ CREDITOR INITIATING THE SALE, ASSIGNMENT, OR TRANSFER,  
19 upon a determination that the patient should have been screened pursuant  
20 to section 25.5-3-502 and is eligible for discounted care pursuant to  
21 section 25.5-3-503 or that the bill underlying the medical debt is eligible  
22 for reimbursement through a public ~~health-care coverage~~ HEALTH  
23 INSURANCE program; and

24 (c) If it is determined that the patient should have been screened  
25 pursuant to section 25.5-3-502 and is eligible for discounted care pursuant  
26 to section 25.5-3-503 or that the bill underlying the medical debt is  
27 eligible for reimbursement through a public ~~health-care coverage~~ HEALTH

1 INSURANCE program and the MEDICAL debt is not returned to or recalled  
2 by the medical ~~debt seller~~ CREDITOR INITIATING THE SALE, ASSIGNMENT,  
3 OR TRANSFER, the medical debt buyer shall adhere to procedures that must  
4 be specified in the agreement that ensures the patient will not pay, and has  
5 no obligation to pay, the medical debt buyer and the medical creditor  
6 together more than the patient is personally responsible for paying.

7 (6) The medical debt seller shall indemnify the medical debt buyer  
8 for any amount paid for a debt that is returned to or recalled by the  
9 medical debt seller.

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

18 (8) ANY SALE, ASSIGNMENT, TRANSFER, OR COLLECTION  
19 ACTIVITIES THAT DO NOT COMPLY WITH THIS PART 2 ARE VOID OR  
20 DISMISSED, AND THE MEDICAL CREDITOR INITIATING THE SALE,  
21 ASSIGNMENT, TRANSFER, OR COLLECTION ACTIVITIES IS LIABLE TO THE  
22 PATIENT FOR THREE THOUSAND DOLLARS OR ANY ACTUAL DAMAGES  
23 SUSTAINED AS A RESULT OF NONCOMPLIANCE, WHICHEVER IS GREATER,  
24 AND ANY ATTORNEY FEES OR COSTS INCURRED BY THE PATIENT.

25 (9) A PATIENT'S FULL OR PARTIAL PAYMENT OF A MEDICAL DEBT  
26 OR ACCEPTANCE OF A REASONABLE PAYMENT PLAN PURSUANT TO SECTION  
27 6-20-204 DOES NOT CONSTITUTE ADMISSION THAT THE MEDICAL DEBT IS

1 VALID. A PATIENT WHO MAKES A PAYMENT ON A MEDICAL DEBT OR  
2 ACCEPTS A REASONABLE PAYMENT PLAN RETAINS ANY LEGAL DEFENSES  
3 THAT WOULD OTHERWISE BE AVAILABLE IN A COLLECTION ACTION.

4 (10) THIS SECTION DOES NOT LIMIT ANY OTHER LEGAL OR  
5 EQUITABLE REMEDIES AVAILABLE TO THE PATIENT.

6 **6-20-204. Reasonable payment plan - conditions to require full**  
7 **payment of balance of medical debt.**

8 (1) (a) A MEDICAL CREDITOR SHALL OFFER A REASONABLE  
9 PAYMENT PLAN TO EACH PATIENT WITH MEDICAL DEBT. AT A MINIMUM,  
10 THE REASONABLE PAYMENT PLAN MUST:

11 (I) BE PAYABLE IN INSTALLMENTS SUCH THAT THE PATIENT IS NOT  
12 PAYING MORE THAN FOUR PERCENT OF THE PATIENT'S WEEKLY NET  
13 INCOME TOWARD MEDICAL DEBT;

14 (II) PROMINENTLY DISCLOSE THE DATE BY WHICH THE MEDICAL  
15 DEBT WILL BE PAID IN FULL IF PAYMENTS SET BY THE SCHEDULE IN THE  
16 PAYMENT PLAN ARE MADE WITHOUT DELAY OR INTERRUPTION;

17 (III) INCLUDE A PROVISION FOR ADJUSTING THE INSTALLMENT  
18 AMOUNTS AND DURATION TO ACCOUNT FOR SIGNIFICANT CHANGES IN THE  
19 PATIENT'S FINANCIAL CIRCUMSTANCES; AND

20 (IV) PROVIDE A SIXTY-DAY GRACE PERIOD FOR ANY LATE  
21 PAYMENT.

22 (b) THE MEDICAL CREDITOR SHALL PROVIDE A WRITTEN COPY OF  
23 THE REASONABLE PAYMENT PLAN TO THE PATIENT NO LATER THAN SEVEN  
24 DAYS AFTER ENTERING INTO THE PAYMENT PLAN.

25 (c) A REASONABLE PAYMENT PLAN MUST NOT INCLUDE A  
26 REQUIREMENT TO PAY PRE-JUDGMENT INTEREST.

27 **SECTION 8.** In Colorado Revised Statutes, 5-16-103, **amend**

1 (3)(d) as follows:

2 **5-16-103. Definitions.**

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

4 (3) (d) (I) For the purposes of section 5-16-108 (1)(f), "collection  
5 agency" includes any person engaged in any business the principal  
6 purpose of which is the enforcement of security interests. For purposes of  
7 sections 5-16-104, 5-16-105, 5-16-106, 5-16-107, 5-16-108, and 5-16-109  
8 only, "collection agency" includes a debt collector for the department of  
9 personnel.

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

13 **SECTION 9.** In Colorado Revised Statutes, 5-16-108, **amend**  
14 (1)(I) as follows:

15 **5-16-108. Unfair practices.**

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

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

22 **SECTION 10.** In Colorado Revised Statutes, 5-16-111, **amend**  
23 (1.5)(a) as follows:

24 **5-16-111. Legal actions by collection agencies.**

25 (1.5) A debt collector, or collection agency that is not a creditor  
26 or debt buyer, shall not be the named plaintiff in a legal action or take any  
27 legal action on a debt against a consumer unless the debt collector or

1 collection agency:

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

11 **SECTION 11.** In Colorado Revised Statutes, 13-80-101, **add**  
12 (1)(q) as follows:

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

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

18 (q) PERMISSIBLE EXTRAORDINARY COLLECTION ACTIONS FOR THE  
19 COLLECTION OF MEDICAL DEBT, AS DEFINED IN SECTION 6-20-201;

20 **SECTION 12.** In Colorado Revised Statutes, 13-80-103.5,  
21 **amend** (1)(a) as follows:

22 **13-80-103.5. General limitation of actions - six years.**

23 (1) The following actions shall be commenced within six years  
24 after the cause of action accrues and not thereafter:

25 (a) All actions to recover a liquidated debt or an unliquidated,  
26 determinable amount of money due to the person bringing the action, all  
27 actions for the enforcement of rights set forth in any instrument securing

1 the payment of or evidencing any debt, and all actions of replevin to  
2 recover the possession of personal property encumbered under any  
3 instrument securing any debt; except that:

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

6 (II) PERMISSIBLE EXTRAORDINARY COLLECTION ACTIONS  
7 INVOLVING MEDICAL DEBT PURSUANT TO PART 2 OF ARTICLE 20 OF TITLE  
8 6 ARE GOVERNED BY THE LIMITATION DESCRIBED IN SECTION 13-80-101  
9 (1)(q).

10 **SECTION 13. Safety clause.** The general assembly finds,  
11 determines, and declares that this act is necessary for the immediate  
12 preservation of the public peace, health, or safety or for appropriations for  
13 the support and maintenance of the departments of the state and state  
14 institutions.