# Second Regular Session Seventy-first General Assembly STATE OF COLORADO

## REREVISED

This Version Includes All Amendments Adopted in the Second House

LLS NO. 18-0633.01 Christy Chase x2008

**SENATE BILL 18-146** 

#### SENATE SPONSORSHIP

**Kefalas and Smallwood,** Martinez Humenik, Aguilar, Coram, Crowder, Donovan, Garcia, Gardner, Jahn, Moreno, Tate, Todd, Williams A.

#### **HOUSE SPONSORSHIP**

Sias and Singer, Hansen, Kennedy

#### **Senate Committees**

Health & Human Services Finance Appropriations

### **House Committees**

Health, Insurance, & Environment Finance Appropriations

## A BILL FOR AN ACT

101	CONCERNING A REQUIREMENT THAT A FREESTANDING EMERGENCY
102	DEPARTMENT INFORM A PERSON WHO IS SEEKING MEDICAL
103	TREATMENT ABOUT THE HEALTH CARE OPTIONS THAT ARE
104	AVAILABLE TO THE <b>PERSON, AND, IN CONNECTION THEREWITH,</b>
105	MAKING AN APPROPRIATION.

## **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 <a href="http://leg.colorado.gov">http://leg.colorado.gov</a>.)

The bill requires a freestanding emergency department (FSED), whether operated by a hospital at a separate, off-campus location or

HOUSE 3rd Reading Unamended April 9, 2018

HOUSE Amended 2nd Reading

SENATE 3rd Reading Unamended March 5, 2018

SENATE Amended 2nd Reading March 1, 2018

Shading denotes HOUSE amendment. <u>Double underlining denotes SENATE amendment.</u>

Capital letters or bold & italic numbers indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

operating independently of a hospital system, to provide any individual that enters the FSED seeking treatment a written statement of patient's rights, which an FSED staff member or health care provider must explain orally and which must indicate that:

- ! The FSED will screen and treat the individual regardless of ability to pay;
- ! The individual has a right to ask questions about treatment options and costs and to receive prompt and reasonable responses;
- ! The individual has a right to reject treatment;
- ! The FSED encourages the individual to defer questions until after being screened for an emergency medical condition; and
- ! The facility is an emergency medical facility that treats emergency medical conditions, and, for FSEDs that do not include an urgent care clinic on site, that the facility is not an urgent care center or primary care provider.

Additionally, a FSED must post a sign specifying:

- ! Whether the facility accepts patients enrolled in medicaid, medicare, the children's basic health plan, or TRICARE;
- ! The particular health insurance plans in which the FSED is a participating provider or that the FSED is not a participating provider in any plan networks; and
- ! The price listed on the FSED's chargemaster or other fee schedule for the 25 most common health care services it provides.

After conducting an initial screening and determining that a patient does not have an emergency medical condition, the FSED must provide the patient a written disclosure that includes the information posted on the sign, as well as the following:

- ! The price listed on the FSED's chargemaster or other fee schedule for the facility fees associated with the 25 most common health care services the FSED provides;
- ! A statement specifying that the price listed on the chargemaster or fee schedule for any given health care service is the maximum charge that any patient will be billed and that the actual charge for a health care service may be lower based on health insurance benefits and the availability of discounts and financial assistance;
- ! A statement urging a person covered by health insurance to contact his or her health insurer for information about his or her financial responsibility and a person who is uninsured to contact the FSED's financial services office to discuss payment options and the availability of financial assistance prior to receiving nonemergency health care

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services;

- ! Information about the facility fees that the FSED charges; and
- ! The FSED's website address where the disclosure may be located.

The FSED must also post the information in the written disclosure on its website and update the written and web-based disclosure at least once every 6 months. Additionally, the FSED must provide all information in a clear and understandable manner and in languages appropriate to the communities and patients it serves.

The state board of health is authorized to adopt rules to implement and enforce the requirements of the bill.

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

**SECTION 1. Legislative declaration.** (1) The general assembly hereby finds and declares that:

- (a) Colorado struggles to control the cost of health care, which is consistent with national trends;
- (b) The cost of health care benefits, including health insurance policies and monthly premiums, is directly related to the costs of health care services, products, and medications used by Colorado residents to maintain their health, whether addressing acute health needs or managing chronic health conditions;
- (c) The costs of receiving health care services for treating a specific condition vary significantly based on the setting or facility at which the health care services are delivered to the patient;
- (d) Emergency departments, including freestanding emergency departments, which are often referred to as "FSEDs", have been widely recognized as the most expensive setting for receiving nonemergency health care services, and evidence shows that utilization of FSEDs for nonemergency health care services significantly drives up health care costs for Colorado residents;

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1	(e) Data from the all payer claims database indicate that seven of
2	the top ten reasons for visiting a FSED were for nonemergency services;
3	(f) FSEDs have proliferated, primarily along the Front Range,
4	with thirty-seven FSEDs in operation in 2016, and Colorado is one of the
5	top three states in terms of the number of FSEDs operating in the state;
6	(g) Colorado health care providers, facilities, and insurers have a
7	shared responsibility to inform and educate Colorado health care
8	consumers regarding their health care options and costs associated with
9	those options so that consumers can make informed health care decisions
10	regarding where they choose to receive their health care, what the costs
11	will be, and the costs for which they will be responsible;
12	(h) While initially introduced in Colorado as facilities necessary
13	to address critical health care coverage gaps existing across diverse
14	geographic regions, particularly rural regions, FSEDs are increasingly
15	located in more suburban and urban areas with adequate access to health
16	care facilities;
17	(i) Significant differences also exist in terms of the costs patients
18	incur for receiving nonemergency health care services at FSEDs
19	compared to receiving similar care at urgent care centers or a primary care
20	physician's office;
21	(j) FSED facility fees significantly increase patients' costs
22	compared to costs associated with receiving nonemergency care at an
23	urgent care center or primary care physician's office;
24	(k) The price of hospital facility fees rose eighty-nine percent
25	between 2009 and 2015, twice as much as the price of outpatient health
26	care and four times as much as overall health care spending; and

(l) The intent of this bill is to:

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1	(I) Require transparency and disclosure to consumers by FSEDs
2	or off-campus emergency departments for the purpose of helping health
3	care consumers make informed decisions; and
4	(II) Authorize the Colorado department of public health and
5	environment to oversee and enforce a comprehensive set of consumer
6	protections through the implementation of transparency and disclosure
7	measures.
8	SECTION 2. In Colorado Revised Statutes, add 25-3-118 as
9	follows:
10	25-3-118. Freestanding emergency departments - required
11	$\textbf{notices-disclosures-rules-definitions.} \ (1) \ (a) \ (I) \ \ A \ \text{FREESTANDING}$
12	EMERGENCY DEPARTMENT SHALL GIVE TO EVERY INDIVIDUAL SEEKING
13	TREATMENT AT THE FACILITY A WRITTEN NOTICE CONTAINING THE
14	FOLLOWING STATEMENTS IMMEDIATELY UPON REGISTRATION:
15	PATIENT INFORMATION
16	THIS IS AN EMERGENCY MEDICAL FACILITY THAT TREATS
17	EMERGENCY MEDICAL CONDITIONS.
18	WE WILL SCREEN AND TREAT YOU REGARDLESS OF YOUR
19	ABILITY TO PAY.
20	YOU HAVE A RIGHT TO ASK QUESTIONS REGARDING YOUR
21	TREATMENT OPTIONS AND COSTS.
22	YOU HAVE A RIGHT TO RECEIVE PROMPT AND REASONABLE
23	RESPONSES TO QUESTIONS AND REQUESTS.
24	YOU HAVE A RIGHT TO REJECT TREATMENT.
25	HOWEVER, WE ENCOURAGE YOU TO DEFER YOUR QUESTIONS
26	UNTIL AFTER WE SCREEN YOU FOR AN EMERGENCY MEDICAL
27	CONDITION.

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1	THIS IS NOT A COMPLETE STATEMENT OF PATIENT
2	INFORMATION OR RIGHTS. YOU WILL RECEIVE A MORE
3	COMPREHENSIVE STATEMENT OF PATIENT'S RIGHTS UPON
4	THE COMPLETION OF A MEDICAL SCREENING EXAMINATION
5	THAT DOES NOT REVEAL AN EMERGENCY MEDICAL
6	CONDITION OR AFTER TREATMENT HAS BEEN PROVIDED TO
7	STABILIZE AN EMERGENCY MEDICAL CONDITION.
8	(II) (A) IF THE FREESTANDING EMERGENCY DEPARTMENT DOES
9	NOT HAVE OR INCLUDE WITHIN ITS FACILITY AN URGENT CARE CENTER OR
10	CLINIC, THE FREESTANDING EMERGENCY DEPARTMENT SHALL INCLUDE
11	THE FOLLOWING STATEMENT IN THE NOTICE REQUIRED BY SUBSECTION
12	(1)(a)(I) of this <u>section, immediately following the sentence that</u>
13	READS "THIS IS AN EMERGENCY MEDICAL FACILITY THAT TREATS
14	EMERGENCY MEDICAL CONDITIONS.":
15	THIS IS NOT AN URGENT CARE CENTER OR PRIMARY CARE
16	PROVIDER.
17	(B) If the freestanding emergency department has or
18	INCLUDES WITHIN ITS FACILITY AN URGENT CARE CENTER OR CLINIC, THE
19	FREESTANDING EMERGENCY DEPARTMENT SHALL INCLUDE THE
20	FOLLOWING STATEMENT IN THE NOTICE REQUIRED BY SUBSECTION $(1)(a)(I)$
21	OF THIS SECTION, IMMEDIATELY FOLLOWING THE SENTENCE THAT READS
22	"THIS IS AN EMERGENCY MEDICAL FACILITY THAT TREATS EMERGENCY
23	MEDICAL CONDITIONS.":
24	THIS FACILITY ALSO CONTAINS AN URGENT CARE CENTER
25	THAT OPERATES FROM (INSERT TIME URGENT CARE CENTER
26	OPENS) TO (INSERT TIME URGENT CARE CENTER CLOSES)
27	AND PROVIDES PRIMARY CARE SERVICES (AND INSERT, IF

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1	APPLICABLE, THAT THE URGENT CARE CENTER OFFERS
2	PRIMARY CARE SERVICES BY APPOINTMENT).
3	(III) IF THE INDIVIDUAL SEEKING TREATMENT IS A MINOR WHO IS
4	ACCOMPANIED BY AN ADULT, THE FREESTANDING EMERGENCY
5	DEPARTMENT SHALL PROVIDE THE WRITTEN NOTICE REQUIRED BY THIS
6	SUBSECTION (1)(a) TO THE ACCOMPANYING ADULT.
7	(b) IN ADDITION TO GIVING AN INDIVIDUAL THE WRITTEN NOTICE
8	REQUIRED BY SUBSECTION (1)(a) OF THIS SECTION, A FREESTANDING
9	EMERGENCY DEPARTMENT STAFF MEMBER OR HEALTH CARE PROVIDER
10	SHALL PROVIDE THE INFORMATION SPECIFIED IN SUBSECTION (1)(a) OF
11	THIS SECTION TO THE INDIVIDUAL ORALLY.
12	(c) AS NECESSARY, THE STATE BOARD OF HEALTH, BY RULE, MAY
13	UPDATE THE INFORMATION REQUIRED TO BE INCLUDED IN THE WRITTEN
14	NOTICE OF PATIENT INFORMATION SET FORTH IN THIS SUBSECTION (1).
15	(2) (a) A FREESTANDING EMERGENCY DEPARTMENT SHALL POST A
16	SIGN THAT IS PLAINLY VISIBLE IN THE AREA WITHIN THE FACILITY WHERE
17	AN INDIVIDUAL SEEKING CARE REGISTERS OR CHECKS IN AND THAT
18	STATES:
19	THIS IS AN EMERGENCY MEDICAL FACILITY THAT TREATS
20	EMERGENCY MEDICAL CONDITIONS.
21	(b) (I) If the freestanding emergency department does not
22	HAVE OR INCLUDE WITHIN ITS FACILITY AN URGENT CARE CENTER OR
23	CLINIC, THE FREESTANDING EMERGENCY DEPARTMENT SHALL INCLUDE
24	THE FOLLOWING STATEMENT ON THE SIGN REQUIRED BY THIS SUBSECTION
25	(2), IMMEDIATELY FOLLOWING THE STATEMENT SPECIFIED IN SUBSECTION
26	(2)(a) OF THIS SECTION:
27	THIS IS NOT AN URGENT CARE CENTER OR PRIMARY CARE

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1	<u>PROVIDER.</u>
2	(II) IF THE FREESTANDING EMERGENCY DEPARTMENT HAS OR
3	INCLUDES WITHIN ITS FACILITY AN URGENT CARE CENTER OR CLINIC, THE
4	FREESTANDING EMERGENCY DEPARTMENT SHALL INCLUDE THE
5	FOLLOWING STATEMENT ON THE SIGN REQUIRED BY THIS SUBSECTION (2),
6	IMMEDIATELY FOLLOWING THE STATEMENT SPECIFIED IN SUBSECTION
7	(2)(a) OF THIS SECTION:
8	THIS FACILITY ALSO CONTAINS AN URGENT CARE CENTER
9	THAT OPERATES FROM (INSERT TIME URGENT CARE CENTER
10	OPENS) TO (INSERT TIME URGENT CARE CENTER CLOSES)
11	AND PROVIDES PRIMARY CARE SERVICES (AND INSERT, IF
12	APPLICABLE, THAT THE URGENT CARE CENTER OFFERS
13	PRIMARY CARE SERVICES BY APPOINTMENT).
14	<del></del>
15	(3) (a) AFTER PERFORMING AN APPROPRIATE MEDICAL SCREENING
16	EXAMINATION AND DETERMINING THAT A PATIENT DOES NOT HAVE AN
17	EMERGENCY MEDICAL CONDITION OR AFTER TREATMENT HAS BEEN
18	PROVIDED TO STABILIZE AN EMERGENCY MEDICAL CONDITION, THE
19	FREESTANDING EMERGENCY DEPARTMENT SHALL PROVIDE TO THE PATIENT
20	A WRITTEN DISCLOSURE <u>THAT:</u>
21	(I) Specifies whether the freestanding emergency
22	DEPARTMENT ACCEPTS PATIENTS WHO ARE ENROLLED IN: THE STATE
23	MEDICAL ASSISTANCE PROGRAM UNDER ARTICLES 4, 5, AND 6 OF TITLE
24	25.5; MEDICARE, AS AUTHORIZED IN TITLE XVIII OF THE FEDERAL "SOCIAL
25	SECURITY ACT", AS AMENDED; THE CHILDREN'S BASIC HEALTH PLAN
26	ESTABLISHED UNDER ARTICLE 8 OF TITLE 25.5; OR A HEALTH PLAN
27	AUTHORIZED UNDER 10 U.S.C. SEC. 1071 ET SEQ.;

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1	(11) LISTS THE SPECIFIC HEALTH INSURANCE PROVIDER NETWORKS
2	AND CARRIERS WITH WHICH THE FREESTANDING EMERGENCY DEPARTMENT
3	PARTICIPATES OR STATES THAT THE FREESTANDING EMERGENCY
4	DEPARTMENT IS NOT A PARTICIPATING PROVIDER IN ANY HEALTH
5	INSURANCE PROVIDER NETWORKS;
6	(III) STATES THAT THE FREESTANDING EMERGENCY DEPARTMENT
7	OR A PHYSICIAN PROVIDING HEALTH CARE SERVICES AT THE
8	FREESTANDING EMERGENCY DEPARTMENT MAY NOT BE A PARTICIPATING
9	PROVIDER IN THE PATIENT'S HEALTH INSURANCE PROVIDER NETWORK;
10	(IV) STATES THAT A PHYSICIAN PROVIDING HEALTH CARE
11	SERVICES AT THE FREESTANDING EMERGENCY DEPARTMENT MAY BILL
12	SEPARATELY FROM THE FREESTANDING EMERGENCY DEPARTMENT FOR THE
13	HEALTH CARE SERVICES PROVIDED TO THE PATIENT;
14	(V) SPECIFIES THE CHARGEMASTER OR FEE SCHEDULE PRICE FOR
15	THE TWENTY-FIVE MOST COMMON HEALTH CARE SERVICES PROVIDED BY
16	THE FREESTANDING EMERGENCY DEPARTMENT;
17	
18	(VI) <u>CONTAINS A</u> STATEMENT SPECIFYING THAT THE PRICE LISTED
19	ON THE FREESTANDING EMERGENCY DEPARTMENT'S CHARGEMASTER OR
20	FEE SCHEDULE FOR ANY GIVEN HEALTH CARE SERVICE IS THE MAXIMUM
21	CHARGE THAT ANY PATIENT WILL BE BILLED FOR THE SERVICE AND THAT
22	THE ACTUAL CHARGE FOR ANY HEALTH CARE SERVICE RENDERED MAY BE
23	LOWER DEPENDING ON APPLICABLE HEALTH INSURANCE BENEFITS AND THE
24	AVAILABILITY OF DISCOUNTS OR FINANCIAL ASSISTANCE;
25	(VII) <u>Contains the</u> following statement or a statement
26	CONTAINING SUBSTANTIALLY SIMILAR INFORMATION:
2.7	IF YOU ARE COVERED BY HEALTH INSURANCE, YOU ARE

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1	STRONGLY ENCOURAGED TO CONSULT WITH YOUR HEALTH
2	INSURER TO DETERMINE ACCURATE INFORMATION ABOUT
3	YOUR FINANCIAL RESPONSIBILITY FOR A PARTICULAR
4	HEALTH CARE SERVICE PROVIDED AT THIS FREESTANDING
5	EMERGENCY DEPARTMENT. IF YOU ARE NOT COVERED BY
6	HEALTH INSURANCE, YOU ARE STRONGLY ENCOURAGED TO
7	CONTACT (INSERT NAME AND TELEPHONE NUMBER FOR
8	OFFICE RESPONSIBLE FOR FINANCIAL SERVICES) TO DISCUSS
9	PAYMENT OPTIONS AND THE AVAILABILITY OF FINANCIAL
10	ASSISTANCE PRIOR TO RECEIVING A HEALTH CARE
11	SERVICE FROM THIS FREESTANDING EMERGENCY
12	DEPARTMENT.
13	(VIII) <u>Contains information</u> about the facility fees that
14	THE FREESTANDING EMERGENCY DEPARTMENT CHARGES, INDICATING
15	EITHER THE MAXIMUM FACILITY FEE THAT THE FREESTANDING
16	EMERGENCY DEPARTMENT CHARGES OR THE RANGE OF THE MINIMUM TO
17	MAXIMUM AMOUNT OF THE FACILITY FEES THAT THE FREESTANDING
18	EMERGENCY DEPARTMENT CHARGES; AND
19	(IX) <u>INCLUDES THE</u> FREESTANDING EMERGENCY DEPARTMENT'S
20	WEBSITE ADDRESS WHERE THE INFORMATION CONTAINED IN THE
21	DISCLOSURE REQUIRED BY THIS SUBSECTION (3) MAY BE FOUND.
22	(b) A FREESTANDING EMERGENCY DEPARTMENT SHALL UPDATE
23	THE INFORMATION CONTAINED IN THE WRITTEN DISCLOSURE REQUIRED BY
24	THIS SUBSECTION (3) AT LEAST ONCE EVERY SIX MONTHS.
25	(c) RECEIPT OF THE DISCLOSURE UNDER THIS SUBSECTION (3) DOES
26	NOT WAIVE A COVERED PERSON'S PROTECTIONS UNDER SECTION
27	10-16-704 (3)(b).

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1	(4) A FREESTANDING EMERGENCY DEPARTMENT SHALL POST THE
2	DISCLOSURE REQUIRED BY SUBSECTION (3) OF THIS SECTION ON ITS
3	WEBSITE AND UPDATE THE DISCLOSURE POSTED ON ITS WEBSITE AT LEAST
4	ONCE EVERY SIX MONTHS.
5	(5) A FREESTANDING EMERGENCY DEPARTMENT SHALL PROVIDE
6	THE INFORMATION REQUIRED BY THIS SECTION IN A CLEAR AND
7	UNDERSTANDABLE MANNER AND IN LANGUAGES APPROPRIATE TO THE
8	COMMUNITIES AND PATIENTS THE FREESTANDING EMERGENCY
9	DEPARTMENT SERVES.
10	(6) NOTHING IN THIS SECTION AFFECTS OR OTHERWISE LIMITS A
11	HOSPITAL'S OR OTHER HEALTH FACILITY'S OBLIGATIONS UNDER SECTION
12	6-20-101 or article 49 of this title 25.
13	(7) The state board of health may adopt rules as
14	NECESSARY TO IMPLEMENT AND ENFORCE THIS SECTION, INCLUDING RULES
15	NECESSARY TO ENSURE THAT FREESTANDING EMERGENCY DEPARTMENTS
16	ARE COMPLYING IN GOOD FAITH WITH THE INTENT OF THIS SECTION AND
17	THE TRANSPARENCY AND DISCLOSURE REQUIREMENTS OF THIS SECTION.
18	(8) AS USED IN THIS SECTION:
19	(a) "Chargemaster or fee schedule", which is often
20	REFERRED TO AS "CHARGE DESCRIPTION MASTER" OR "CDM", MEANS A
21	UNIFORM SCHEDULE OF CHARGES REPRESENTED BY A HEALTH FACILITY AS
22	THE FACILITY'S GROSS BILLED CHARGE, OR MAXIMUM CHARGE THAT ANY
23	PATIENT WILL BE BILLED, FOR A GIVEN HEALTH CARE SERVICE,
24	REGARDLESS OF PAYER AND BEFORE ANY DISCOUNTS OR NEGOTIATIONS
25	ARE APPLIED.
26	(b) "EMERGENCY MEDICAL CONDITION" HAS THE SAME MEANING
27	AS SET FORTH IN 42 U.S.C. SEC. 1395dd (e)(1).

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l	(c) (1) "Freestanding emergency department" means a
2	HEALTH FACILITY THAT OFFERS EMERGENCY CARE, THAT MAY OFFER
3	PRIMARY AND URGENT CARE SERVICES, THAT IS LICENSED BY THE
4	DEPARTMENT PURSUANT TO SECTION $\underline{25-1.5-103}$ , and that is either:
5	$(\underline{A})$ Owned or operated by, or affiliated with, a hospital or
6	HOSPITAL SYSTEM AND IS LOCATED MORE THAN TWO HUNDRED FIFTY
7	YARDS FROM THE MAIN CAMPUS OF THE HOSPITAL; OR
8	(B) INDEPENDENT FROM AND NOT OPERATED BY OR AFFILIATED
9	WITH A HOSPITAL OR HOSPITAL SYSTEM AND IS NOT ATTACHED TO OR
10	SITUATED WITHIN TWO HUNDRED FIFTY YARDS OF, OR CONTAINED WITHIN,
11	A HOSPITAL.
12	(II) "Freestanding emergency department" does not
13	INCLUDE A HEALTH FACILITY DESCRIBED IN SUBSECTION (8)(b)(I) OF THIS
14	SECTION THAT WAS LICENSED BY THE DEPARTMENT PURSUANT TO SECTION
15	25-1.5-103 AS A COMMUNITY CLINIC PRIOR TO JULY 1, 2010, IF THE
16	FACILITY IS SERVING A RURAL COMMUNITY OR A SKI AREA, AS DEFINED IN
17	STATE BOARD RULES.
18	SECTION 3. Appropriation. For the 2018-19 state fiscal year,
19	\$34,725 is appropriated to the department of public health and
20	environment for use by the health facilities and emergency medical
21	services division. This appropriation is from the health facilities general
22	licensure cash fund created in section 25-3-103.1 (1), C.R.S., and is based
23	on an assumption that the division will require an additional 0.5 FTE. To
24	implement this act, the division may use this appropriation for
25	administration and operations.
26	SECTION 4. Act subject to petition - effective date. This act
27	takes effect January 1, 2019; except that, if a referendum petition is filed

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pursuant to section 1 (3) of article V of the state constitution against this
act or an item, section, or part of this act within the ninety-day period
after final adjournment of the general assembly, then the act, item,
section, or part will not take effect unless approved by the people at the
general election to be held in November 2018 and, in such case, will take
effect on January 1, 2019, or on the date of the official declaration of the
vote thereon by the governor, whichever is later.

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