

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0589.01 Brita Darling x2241

HOUSE BILL 22-1285

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HOUSE SPONSORSHIP

**Neville and Esgar**, Daugherty

SENATE SPONSORSHIP

**Moreno and Cooke**,

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**House Committees**  
Health & Insurance

**Senate Committees**

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A BILL FOR AN ACT

101 CONCERNING A PROHIBITION AGAINST A HOSPITAL TAKING CERTAIN  
102 DEBT COLLECTION ACTIONS AGAINST A PATIENT IF THE  
103 HOSPITAL IS NOT IN COMPLIANCE WITH HOSPITAL PRICE  
104 TRANSPARENCY LAWS.

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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 prohibits a hospital or other person or entity collecting on behalf of the hospital from initiating or pursuing collection actions against a patient or patient guarantor for debt incurred by the patient on

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

the date or dates of service when the hospital was not in compliance with federal hospital price transparency laws.

Nothing in the bill:

- Prohibits a hospital from billing a patient or health insurer for items or services provided to the patient; or
- Requires a hospital to refund a payment made to the hospital for items or services provided to a patient.

A hospital that initiates or pursues a prohibited collection action is subject to a penalty equal to the amount of the debt and must refund any amount paid on the debt and pay attorney fees and costs.

The bill makes attempting to collect the debt an unfair practice under the "Colorado Fair Debt Collections Act".

The bill authorizes the department of public health and environment, in considering a hospital's license renewal application, to consider whether the hospital is or has been in compliance with federal hospital price transparency laws.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 8 to article  
3 of title 25 as follows:

4 PART 8

5 CONSUMER PROTECTION RELATING TO

6 HOSPITAL PRICE TRANSPARENCY

7 **25-3-801. Legislative declaration.** (1) THE GENERAL ASSEMBLY  
8 FINDS AND DECLARES THAT:

9 (a) SECTION 1001 OF THE "PATIENT PROTECTION AND  
10 AFFORDABLE CARE ACT OF 2010", PUB.L. 111-148, AS AMENDED BY  
11 SECTION 10101 OF THE "HEALTH CARE AND EDUCATION RECONCILIATION  
12 ACT OF 2010", PUB.L. 111-152, AMENDED TITLE XXVII OF THE "PUBLIC  
13 HEALTH SERVICE ACT", PUB.L. 78-410, IN PART, BY ADDING A NEW  
14 SECTION 2718(e), REQUIRING, IN PART, THAT EACH HOSPITAL OPERATING  
15 WITHIN THE UNITED STATES ESTABLISH, UPDATE, AND MAKE PUBLIC A LIST  
16 OF THE HOSPITAL'S STANDARD CHARGES FOR THE ITEMS AND SERVICES

1 THAT THE HOSPITAL PROVIDES;

2 (b) EFFECTIVE JANUARY 1, 2021, THE FEDERAL CENTERS FOR  
3 MEDICARE AND MEDICAID SERVICES PUBLISHED THE FINAL RULE TO  
4 IMPLEMENT THE LAW, CODIFIED AT 45 CFR 180;

5 (c) IN ITS SUMMARY OF THE FINAL RULE, CMS STATES THAT  
6 INFORMATION ON HOSPITAL STANDARD CHARGES IS NECESSARY FOR THE  
7 PUBLIC TO "MAKE MORE INFORMED DECISIONS ABOUT THEIR CARE" AND  
8 THAT THE "IMPACT OF THESE FINAL POLICIES WILL HELP TO INCREASE  
9 MARKET COMPETITION, AND ULTIMATELY DRIVE DOWN THE COST OF  
10 HEALTH CARE SERVICES, MAKING THEM MORE AFFORDABLE FOR ALL  
11 PATIENTS";

12 (d) ON JULY 9, 2021, PRESIDENT BIDEN, BUILDING UPON EFFORTS  
13 OF PAST PRESIDENTS, ISSUED THE "EXECUTIVE ORDER ON PROMOTING  
14 COMPETITION IN THE AMERICAN ECONOMY", DIRECTING THE SECRETARY  
15 OF THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES  
16 TO SUPPORT NEW AND EXISTING PRICE TRANSPARENCY INITIATIVES FOR  
17 HOSPITALS;

18 (e) HEALTH-CARE PRICE TRANSPARENCY IS IN THE BEST INTEREST  
19 OF ALL COLORADANS, INCLUDING:

20 (I) THE STATE GOVERNMENT, WHICH PURCHASES HEALTH-CARE  
21 SERVICES FOR ALMOST A QUARTER OF ALL COLORADANS;

22 (II) COLORADO BUSINESSES, WHICH FUND EMPLOYEE MEDICAL  
23 EXPENSES; AND

24 (III) COLORADO RESIDENTS, WHO ULTIMATELY BEAR THE BRUNT  
25 OF HIGH HEALTH-CARE COSTS IN THE FORM OF HIGHER TAXES, LOWER  
26 WAGES, AND RESIDENTS' OWN OUT-OF-POCKET SPENDING;

27 (f) MOREOVER, HEALTH-CARE PRICES IN COLORADO ARE AMONG

1 THE HIGHEST IN THE NATION;

2 (g) HOWEVER, NOT ALL COLORADO HOSPITALS ARE IN  
3 COMPLIANCE WITH ALL OF THE DISCLOSURE REQUIREMENTS UNDER  
4 FEDERAL LAW AND OTHER STATE LAWS GOVERNING HEALTH-CARE PRICE  
5 TRANSPARENCY; AND

6 (h) THIS LACK OF COMPLIANCE WITH HEALTH-CARE PRICE  
7 TRANSPARENCY LAWS BY COLORADO HOSPITALS DECREASES THE  
8 LIKELIHOOD THAT COLORADO CONSUMERS WILL BE FULLY AWARE OF  
9 AFFORDABLE HEALTH-CARE OPTIONS BEFORE PURCHASING ITEMS AND  
10 SERVICES FROM HOSPITALS, PLACING HEALTH-CARE CONSUMERS AT  
11 GREATER RISK OF COLLECTION ACTIONS AND OTHER ADVERSE ACTIONS  
12 RELATING TO UNPAID MEDICAL BILLS.

13 (2) THEREFORE, THE GENERAL ASSEMBLY FINDS AND DECLARES  
14 THAT IT IS IMPERATIVE TO PROTECT COLORADO HEALTH-CARE CONSUMERS  
15 FROM COLLECTION ACTIONS AND OTHER ADVERSE ACTIONS TAKEN BY  
16 COLORADO HOSPITALS DURING THE TIME WHEN THE HOSPITAL WAS NOT IN  
17 COMPLIANCE WITH HOSPITAL PRICE TRANSPARENCY LAWS INTENDED TO  
18 PROTECT HEALTH-CARE CONSUMERS.

19 **25-3-802. Definitions.** AS USED IN THIS SECTION, UNLESS THE  
20 CONTEXT OTHERWISE REQUIRES:

21 (1) "COLLECTION ACTION" MEANS ANY OF THE FOLLOWING  
22 ACTIONS TAKEN WITH RESPECT TO A DEBT FOR ITEMS AND SERVICES THAT  
23 WERE PURCHASED FROM OR PROVIDED TO A PATIENT BY A HOSPITAL ON A  
24 DATE DURING WHICH THE HOSPITAL WAS NOT IN COMPLIANCE WITH  
25 HOSPITAL PRICE TRANSPARENCY LAWS:

26 (a) ATTEMPTING TO COLLECT A DEBT FROM A PATIENT OR PATIENT  
27 GUARANTOR, WHETHER BY THE HOSPITAL, AN INDEPENDENT BILLING

1 OFFICE, A DEBT COLLECTOR AS DEFINED IN SECTION 5-16-103 (9), A  
2 COLLECTION AGENCY AS DEFINED IN SECTION 5-16-103 (3), OR OTHER  
3 THIRD PARTY RETAINED BY OR ON BEHALF OF THE HOSPITAL;

4 (b) SUING THE PATIENT OR PATIENT GUARANTOR, OR ENFORCING  
5 AN ARBITRATION OR MEDIATION CLAUSE IN ANY HOSPITAL DOCUMENTS  
6 INCLUDING CONTRACTS, AGREEMENTS, STATEMENTS, OR BILLS; OR

7 (c) DIRECTLY OR INDIRECTLY CAUSING A REPORT TO BE MADE TO  
8 A CONSUMER REPORTING AGENCY, AS DEFINED IN SECTION 5-16-103 (6).

9 (2) "DEBT" HAS THE SAME MEANING AS SET FORTH IN SECTION  
10 5-16-103.

11 (3) "FEDERAL CENTERS FOR MEDICARE AND MEDICAID SERVICES"  
12 OR "CMS" MEANS THE CENTER FOR MEDICARE AND MEDICAID SERVICES  
13 IN THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES.

14 (4) "HOSPITAL" MEANS, CONSISTENT WITH 45 CFR 180.20, A  
15 HOSPITAL:

16 (a) LICENSED OR CERTIFIED BY THE DEPARTMENT PURSUANT TO  
17 SECTION 25-1.5-103 (1)(a); OR

18 (b) APPROVED BY THE DEPARTMENT AS MEETING THE STANDARDS  
19 ESTABLISHED FOR LICENSING A HOSPITAL.

20 (4) "HOSPITAL PRICE TRANSPARENCY LAWS" MEANS SECTION  
21 2718(e) OF THE "PUBLIC HEALTH SERVICE (PHS) ACT", PUB.L. 78-410, AS  
22 AMENDED, AND RULES ADOPTED BY THE UNITED STATES DEPARTMENT OF  
23 HEALTH AND HUMAN SERVICES IMPLEMENTING SECTION 2718 (e).

24 (5) "ITEMS AND SERVICES" OR "ITEMS OR SERVICES" MEANS "ITEMS  
25 AND SERVICES" AS DEFINED IN 45 CFR 180.20.

26 **25-3-803. Failure to comply with hospital price transparency**  
27 **laws - prohibiting collection of debt - penalty.** (1) ON AND AFTER THE

1 EFFECTIVE DATE OF THIS SECTION, A HOSPITAL THAT IS NOT IN  
2 COMPLIANCE WITH HOSPITAL PRICE TRANSPARENCY LAWS ON THE DATE  
3 THAT ITEMS OR SERVICES ARE PURCHASED FROM OR PROVIDED TO A  
4 PATIENT BY THE HOSPITAL SHALL NOT INITIATE OR PURSUE A COLLECTION  
5 ACTION AGAINST THE PATIENT OR PATIENT GUARANTOR FOR A DEBT OWED  
6 FOR THE ITEMS OR SERVICES.

7 (2) A HOSPITAL THAT INITIATES OR PURSUES A COLLECTION  
8 ACTION FOR A DEBT AGAINST A PATIENT OR PATIENT GUARANTOR IN  
9 VIOLATION OF THIS SECTION:

10 (a) SHALL REFUND THE PAYER ANY AMOUNT OF THE DEBT THE  
11 PAYER HAS PAID AND SHALL PAY A PENALTY TO THE PATIENT OR PATIENT  
12 GUARANTOR IN AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF THE DEBT;

13 (b) SHALL DISMISS OR CAUSE TO BE DISMISSED ANY COURT ACTION  
14 WITH PREJUDICE AND PAY ANY ATTORNEY FEES AND COSTS INCURRED BY  
15 THE PATIENT OR PATIENT GUARANTOR RELATING TO THE ACTION; AND

16 (c) REMOVE OR CAUSE TO BE REMOVED FROM THE PATIENT'S OR  
17 PATIENT GUARANTOR'S CREDIT REPORT ANY REPORT MADE TO A  
18 CONSUMER REPORTING AGENCY RELATING TO THE DEBT.

19 (3) NOTHING IN THIS PART 8:

20 (a) PROHIBITS A HOSPITAL FROM BILLING A PATIENT, PATIENT  
21 GUARANTOR, OR THIRD-PARTY PAYER, INCLUDING HEALTH INSURER, FOR  
22 ITEMS OR SERVICES PROVIDED TO THE PATIENT; OR

23 (b) REQUIRES A HOSPITAL TO REFUND ANY PAYMENT MADE TO THE  
24 HOSPITAL FOR ITEMS OR SERVICES PROVIDED TO THE PATIENT, SO LONG AS  
25 NO COLLECTION ACTION IS TAKEN IN VIOLATION OF THIS PART 8.

26 **SECTION 2.** In Colorado Revised Statutes, 5-16-108, **add** (1)(m)  
27 as follows:

1           **5-16-108. Unfair practices.** (1) A debt collector or collection  
2 agency shall not use unfair or unconscionable means to collect or attempt  
3 to collect any debt, including, but not limited to, the following conduct:

4           (m) ATTEMPTING TO COLLECT A DEBT IN VIOLATION OF PART 8 OF  
5 ARTICLE 3 OF TITLE 25.

6           **SECTION 3.** In Colorado Revised Statutes, 25-3-102, **add** (4) as  
7 follows:

8           **25-3-102. License - application - issuance - certificate of**  
9 **compliance required - rules.** (4) NOTWITHSTANDING ANY PROVISION OF  
10 LAW TO THE CONTRARY, IN CONSIDERING AN APPLICATION FOR RENEWAL  
11 OF A HOSPITAL'S LICENSE OR CERTIFICATION, THE DEPARTMENT MAY  
12 CONSIDER WHETHER THE HOSPITAL IS OR HAS BEEN IN COMPLIANCE WITH  
13 HOSPITAL PRICE TRANSPARENCY LAWS, AS DEFINED IN SECTION 25-3-802.

14           **SECTION 4. Act subject to petition - effective date.** This act  
15 takes effect at 12:01 a.m. on the day following the expiration of the  
16 ninety-day period after final adjournment of the general assembly; except  
17 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
18 of the state constitution against this act or an item, section, or part of this  
19 act within such period, then the act, item, section, or part will not take  
20 effect unless approved by the people at the general election to be held in  
21 November 2022 and, in such case, will take effect on the date of the  
22 official declaration of the vote thereon by the governor.