

**Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO**

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 22-0589.01 Brita Darling x2241

**HOUSE BILL 22-1285**

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**House Committees**  
Health & Insurance

**Senate Committees**  
Health & Human Services

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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.

SENATE  
3rd Reading Unamended  
May 3, 2022

SENATE  
Amended 2nd Reading  
May 2, 2022

HOUSE  
Amended 3rd Reading  
April 26, 2022

HOUSE  
Amended 2nd Reading  
April 22, 2022

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 MATERIAL COMPLIANCE WITH HOSPITAL PRICE TRANSPARENCY LAWS  
18 INTENDED TO 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 MATERIAL COMPLIANCE  
25 WITH HOSPITAL PRICE TRANSPARENCY LAWS:

26 (a) ATTEMPTING TO COLLECT A DEBT FROM A PATIENT OR PATIENT  
27 GUARANTOR BY REFERRING THE DEBT, DIRECTLY OR INDIRECTLY, TO A

1 DEBT COLLECTOR, A COLLECTION AGENCY, OR OTHER THIRD PARTY  
2 RETAINED BY OR ON BEHALF OF THE HOSPITAL;

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

6 (c) DIRECTLY OR INDIRECTLY CAUSING A REPORT TO BE MADE TO  
7 A CONSUMER REPORTING AGENCY.

8 (2) (a) "COLLECTION AGENCY" MEANS ANY:

9 (I) PERSON WHO ENGAGES IN A BUSINESS THE PRINCIPAL PURPOSE  
10 OF WHICH IS THE COLLECTION OF DEBTS; OR

11 (II) PERSON WHO:

12 (A) REGULARLY COLLECTS OR ATTEMPTS TO COLLECT, DIRECTLY  
13 OR INDIRECTLY, DEBTS OWED OR DUE OR ASSERTED TO BE OWED OR DUE  
14 TO ANOTHER;

15 (B) TAKES ASSIGNMENT OF DEBTS FOR COLLECTION PURPOSES;

16 (C) DIRECTLY OR INDIRECTLY SOLICITS FOR COLLECTION DEBTS  
17 OWED OR DUE OR ASSERTED TO BE OWED OR DUE TO ANOTHER; OR

18 (D) COLLECTS DEBT FOR THE DEPARTMENT OF PERSONNEL.

19 (b) "COLLECTION AGENCY" DOES NOT INCLUDE:

20 (I) ANY OFFICER OR EMPLOYEE OF A CREDITOR WHILE, IN THE  
21 NAME OF THE CREDITOR, COLLECTING DEBTS FOR SUCH CREDITOR;

22 (II) ANY PERSON WHILE ACTING AS A COLLECTION AGENCY FOR  
23 ANOTHER PERSON, BOTH OF WHOM ARE RELATED BY COMMON OWNERSHIP  
24 OR AFFILIATED BY CORPORATE CONTROL, IF THE PERSON ACTING AS A  
25 COLLECTION AGENCY DOES SO ONLY FOR CREDITORS TO WHOM IT IS SO  
26 RELATED OR AFFILIATED AND IF THE PRINCIPAL BUSINESS OF THE PERSON  
27 IS NOT THE COLLECTION OF DEBTS;

1 (III) ANY OFFICER OR EMPLOYEE OF THE UNITED STATES OR ANY  
2 STATE TO THE EXTENT THAT COLLECTING OR ATTEMPTING TO COLLECT  
3 ANY DEBT IS IN THE PERFORMANCE OF THE OFFICER'S OR EMPLOYEE'S  
4 OFFICIAL DUTIES;

5 (IV) ANY PERSON WHILE SERVING OR ATTEMPTING TO SERVE  
6 LEGAL PROCESS ON ANY OTHER PERSON IN CONNECTION WITH THE  
7 JUDICIAL ENFORCEMENT OF ANY DEBT;

8 (V) ANY DEBT-MANAGEMENT SERVICES PROVIDER OPERATING IN  
9 COMPLIANCE WITH OR EXEMPT FROM THE "UNIFORM DEBT-MANAGEMENT  
10 SERVICES ACT", PART 2 OF ARTICLE 19 OF TITLE 5;

11 (VI) ANY PERSON COLLECTING OR ATTEMPTING TO COLLECT ANY  
12 DEBT OWED OR DUE OR ASSERTED TO BE OWED OR DUE ANOTHER TO THE  
13 EXTENT THAT:

14 (A) THE ACTIVITY IS INCIDENTAL TO A BONA FIDE FIDUCIARY  
15 OBLIGATION OR A BONA FIDE ESCROW ARRANGEMENT;

16 (B) THE ACTIVITY CONCERNS A DEBT THAT WAS EXTENDED BY THE  
17 PERSON;

18 (C) THE ACTIVITY CONCERNS A DEBT THAT WAS NOT IN DEFAULT  
19 AT THE TIME IT WAS OBTAINED BY THE PERSON; OR

20 (D) THE ACTIVITY CONCERNS A DEBT OBTAINED BY THE PERSON AS  
21 A SECURED PARTY IN A COMMERCIAL CREDIT TRANSACTION INVOLVING  
22 THE CREDITOR;

23 (VII) ANY PERSON WHOSE PRINCIPAL BUSINESS IS THE MAKING OF  
24 LOANS OR THE SERVICING OF DEBT NOT IN DEFAULT AND WHO ACTS AS A  
25 LOAN CORRESPONDENT, SELLER AND SERVICER FOR THE OWNER, OR  
26 HOLDER OF A DEBT THAT IS SECURED BY A DEED OF TRUST ON REAL  
27 PROPERTY WHETHER OR NOT THE DEBT IS ALSO SECURED BY AN INTEREST

1 IN PERSONAL PROPERTY;

2 (VIII) A LIMITED GAMING OR RACING LICENSEE ACTING PURSUANT  
3 TO ARTICLE 33 OF TITLE 44.

4 (c) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (2)(b) OF  
5 THIS SECTION, "COLLECTION AGENCY" INCLUDES ANY PERSON WHO, IN THE  
6 PROCESS OF COLLECTING THE PERSON'S OWN DEBTS, USES ANOTHER NAME  
7 THAT WOULD INDICATE THAT A THIRD PERSON IS COLLECTING OR  
8 ATTEMPTING TO COLLECT SUCH DEBTS.

9 (3) (a) "CONSUMER REPORTING AGENCY" MEANS ANY PERSON  
10 THAT, FOR MONETARY FEES, DUES, OR ON A COOPERATIVE NONPROFIT  
11 BASIS, REGULARLY ENGAGES, IN WHOLE OR IN PART, IN THE PRACTICE OF  
12 ASSEMBLING OR EVALUATING CONSUMER CREDIT INFORMATION OR OTHER  
13 INFORMATION ON CONSUMERS FOR THE PURPOSE OF FURNISHING  
14 CONSUMER REPORTS TO THIRD PARTIES. "CONSUMER REPORTING AGENCY"  
15 INCLUDES ANY PERSON DEFINED IN 15 U.S.C. sec. 1681a (f) OR SECTION  
16 5-18-103 (4).

17 (b) "CONSUMER REPORTING AGENCY" DOES NOT INCLUDE ANY  
18 BUSINESS ENTITY THAT PROVIDES CHECK VERIFICATION OR CHECK  
19 GUARANTEE SERVICES ONLY.

20 (4) (a) "DEBT" MEANS ANY OBLIGATION OR ALLEGED OBLIGATION  
21 OF A CONSUMER TO PAY MONEY ARISING OUT OF A TRANSACTION,  
22 WHETHER OR NOT THE OBLIGATION HAS BEEN REDUCED TO JUDGMENT.

23 (b) "DEBT" DOES NOT INCLUDE A DEBT FOR BUSINESS,  
24 INVESTMENT, COMMERCIAL, OR AGRICULTURAL PURPOSES OR A DEBT  
25 INCURRED BY A BUSINESS.

26 (5) "DEBT COLLECTOR" MEANS ANY PERSON EMPLOYED OR  
27 ENGAGED BY A COLLECTION AGENCY TO PERFORM THE COLLECTION OF

1 DEBTS OWED OR DUE OR ASSERTED TO BE OWED OR DUE TO ANOTHER.

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

5 (7) "HOSPITAL" MEANS, CONSISTENT WITH 45 CFR 180.20, A  
6 HOSPITAL:

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

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

11 (8) "HOSPITAL PRICE TRANSPARENCY LAWS" MEANS SECTION  
12 2718(e) OF THE "PUBLIC HEALTH SERVICE (PHS) ACT", PUB.L. 78-410, AS  
13 AMENDED, AND RULES ADOPTED BY THE UNITED STATES DEPARTMENT OF  
14 HEALTH AND HUMAN SERVICES IMPLEMENTING SECTION 2718 (e).

15 (9) "ITEMS AND SERVICES" OR "ITEMS OR SERVICES" MEANS "ITEMS  
16 AND SERVICES" AS DEFINED IN 45 CFR 180.20.

17 **25-3-803. Failure to comply with hospital price transparency**  
18 **laws - prohibiting collection of debt - penalty.** (1) (a) EXCEPT AS  
19 PROVIDED IN SUBSECTION (1)(b) OF THIS SECTION, ON AND AFTER THE  
20 EFFECTIVE DATE OF THIS SECTION, A HOSPITAL THAT IS NOT IN MATERIAL  
21 COMPLIANCE WITH HOSPITAL PRICE TRANSPARENCY LAWS ON THE DATE  
22 THAT ITEMS OR SERVICES ARE PURCHASED FROM OR PROVIDED TO A  
23 PATIENT BY THE HOSPITAL SHALL NOT INITIATE OR PURSUE A COLLECTION  
24 ACTION AGAINST THE PATIENT OR PATIENT GUARANTOR FOR A DEBT OWED  
25 FOR THE ITEMS OR SERVICES.

26 (b) THIS PART 8 APPLIES, ON AND AFTER FEBRUARY 15, 2023, TO  
27 CRITICAL ACCESS HOSPITALS LICENSED AND CERTIFIED BY THE

1 DEPARTMENT PURSUANT TO 42 CFR 485 SUBPART F.

2 (2) IF A PATIENT BELIEVES THAT A HOSPITAL WAS NOT IN  
3 MATERIAL COMPLIANCE WITH HOSPITAL PRICE TRANSPARENCY LAWS ON  
4 A DATE ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION THAT ITEMS  
5 OR SERVICES WERE PURCHASED BY OR PROVIDED TO THE PATIENT, AND  
6 THE HOSPITAL TAKES A COLLECTION ACTION AGAINST THE PATIENT OR  
7 PATIENT GUARANTOR, THE PATIENT OR PATIENT GUARANTOR MAY FILE  
8 SUIT TO DETERMINE IF THE HOSPITAL WAS MATERIALLY OUT OF  
9 COMPLIANCE WITH THE HOSPITAL PRICE TRANSPARENCY LAWS AND RULES  
10 AND REGULATIONS ON THE DATE OF SERVICE, AND THE NONCOMPLIANCE  
11 IS RELATED TO THE ITEMS OR SERVICES. THE HOSPITAL SHALL NOT TAKE  
12 A COLLECTION ACTION AGAINST THE PATIENT OR PATIENT GUARANTOR  
13 WHILE THE LAWSUIT IS PENDING.

14 (3) A HOSPITAL THAT HAS BEEN FOUND BY A JUDGE OR JURY,  
15 CONSIDERING COMPLIANCE STANDARDS ISSUED BY THE FEDERAL CENTERS  
16 FOR MEDICARE AND MEDICAID SERVICES, TO BE MATERIALLY OUT OF  
17 COMPLIANCE WITH HOSPITAL PRICE TRANSPARENCY LAWS AND RULES AND  
18 REGULATIONS:

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

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

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

1           (4) NOTHING IN THIS PART 8:

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

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

8

9           **SECTION 2. Act subject to petition - effective date.** This act  
10          takes effect at 12:01 a.m. on the day following the expiration of the  
11          ninety-day period after final adjournment of the general assembly; except  
12          that, if a referendum petition is filed pursuant to section 1 (3) of article V  
13          of the state constitution against this act or an item, section, or part of this  
14          act within such period, then the act, item, section, or part will not take  
15          effect unless approved by the people at the general election to be held in  
16          November 2022 and, in such case, will take effect on the date of the  
17          official declaration of the vote thereon by the governor.