



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number:	LLS 22-0589	Date:	April 11, 2022
Prime Sponsors:	Rep. Neville; Esgar Sen. Moreno; Cooke	Bill Status:	House Health & Insurance
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Bill Topic: PROHIBIT COLLECTION HOSPITAL NOT DISCLOSING PRICES

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill prohibits a hospital from pursuing a collection action against a patient owing debt if the hospital was not in compliance with federal price transparency laws on the date that the items or services were provided to the patient, and requires certain remedies from hospitals for violations. The bill will increase state expenditures beginning in FY 2022-23.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$18,015 to the Department of Public Health and Environment.

Fiscal Note Status: The fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts Under HB 22-1285**

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	Cash Funds	\$18,015	-
	Centrally Appropriated	\$9,237	-
	Total Expenditures	\$27,252	-
	Total FTE	0.2 FTE	-
Transfers		-	-
Other Budget Impacts		-	-

Summary of Legislation

Under federal law, hospitals are required to post standard charges on a publically available website as of January 1, 2021. The bill prohibits a hospital and related entities from pursuing a collection action against a patient owing debt if the hospital was not in compliance with hospital price transparency laws on the date that the items or services were provided to the patient, and requires that a hospital:

- refund the any amount of the debt that has been paid and pay a penalty to the patient in an amount equal to the total amount of the debt;
- dismiss any court action and pay any attorney fees and costs incurred by the patient relating to the action; and
- remove any report made to a consumer reporting agency relating to the debt from the patient's credit report.

The bill adds an unfair practice for debt collectors to the Colorado Consumer Credit Code for attempts to collect a debt in violation of the provisions of this bill. The Department of Public Health and Environment (CDPHE) may consider whether the hospital is or has been in compliance with hospital price transparency laws during the renewal process for a hospital's license or certification.

State Expenditures

The bill increases state expenditures in the CDPHE by \$27,252 in FY 2022-23 only, paid from the General Licensure Cash Fund. Expenditures are shown in Table 2 and detailed below.

Department of Public Health and Environment. In FY 2022-23 only, the CDPHE will require 0.2 FTE to conduct stakeholder engagement and complete the rulemaking process under the Board of Health. This fiscal notes assumes that it is necessary to update rules to clarify that a hospital's compliance with the bill may be examined upon license renewal.

Department of Law. The department is responsible for enforcing the Consumer Credit Code and may see an increase in complaints due to this bill. Any increase in workload can be accommodated within existing resources.

Judicial Department. Workload in the Judicial Department may increase to the extent that civil cases are filed to seek the remedies allowed under the bill. The number of cases are expected to be minimal and no additional appropriations are required. Revenue from civil filing fees may also increase minimally, and are subject to TABOR.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2022-23, the bill requires an appropriation of \$18,015 from the General Licensure Cash Fund to the Department of Public Health and Environment, and 0.2 FTE.

State and Local Government Contacts

Health Care Policy and Financing
Judicial
Public Health and Environment

Information Technology
Law