

## CHAPTER 59

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**INSURANCE**


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**HOUSE BILL 23-1116**

BY REPRESENTATIVE(S) Hartsook and Daugherty, Ortiz, Bird, Boesenecker, Brown, Dickson, Duran, Frizzell, Garcia, Hamrick, Jodeh, Lindsay, Ricks, Sharbini, Sirota, Snyder, Story, Velasco, Weissman, Woodrow, Young, McCluskie, deGruy Kennedy, Soper;  
also SENATOR(S) Rodriguez and Baisley.

**AN ACT**

**CONCERNING INSURANCE CONTRACTS FOR HEALTH-CARE SERVICES THAT INVOLVE ELECTRONIC PAYMENTS TO A HEALTH-CARE PROVIDER, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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

**SECTION 1.** In Colorado Revised Statutes, **add** 10-16-121.3 as follows:

**10-16-121.3. Limitations on provisions in contracts between carriers and licensed health-care providers - methods of payment - fees.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "BILLING SERVICE" MEANS A PERSON OR ENTITY THAT CONTRACTS WITH A LICENSED HEALTH-CARE PROVIDER TO:

(I) PROCESS BILLS FOR HEALTH-CARE SERVICES PROVIDED BY THE LICENSED HEALTH-CARE PROVIDER; AND

(II) PURSUANT TO THE TERMS OF THE CONTRACT, SUBMIT BILLS, REQUEST RECONSIDERATION OF PAYMENTS, AND RECEIVE PAYMENTS OR REIMBURSEMENTS FOR HEALTH-CARE SERVICES PROVIDED BY THE LICENSED HEALTH-CARE PROVIDER.

(b) "CONTRACT" MEANS A CONTRACT BETWEEN A CARRIER AND A LICENSED HEALTH-CARE PROVIDER FOR THE PROVISION OF HEALTH-CARE SERVICES TO COVERED PERSONS UNDER A HEALTH COVERAGE PLAN ISSUED BY THE CARRIER.

(c) "HEALTH-CARE ELECTRONIC FUNDS TRANSFERS AND REMITTANCE ADVICE

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

TRANSACTION" HAS THE SAME MEANING AS DEFINED IN 45 CFR 162.1601 AND INCORPORATES THE STANDARDS DESCRIBED IN 45 CFR 162.1602.

(2) IN A CONTRACT ENTERED INTO, AMENDED, OR RENEWED ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION, THE CARRIER SHALL:

(a) OFFER AT LEAST ONE METHOD OF PAYMENT TO THE LICENSED HEALTH-CARE PROVIDER THAT DOES NOT REQUIRE AN ASSOCIATED FEE CHARGED TO THE HEALTH-CARE PROVIDER; AND

(b) NOT RESTRICT THE METHOD OR FORM OF PAYMENT TO THE LICENSED HEALTH-CARE PROVIDER SO THAT THE ONLY ACCEPTABLE PAYMENT METHOD IS A CREDIT CARD PAYMENT.

(3) IF A CARRIER INITIATES A PAYMENT TO A LICENSED HEALTH-CARE PROVIDER USING, OR CHANGES THE PAYMENT METHOD TO, ELECTRONIC FUNDS TRANSFER PAYMENTS, INCLUDING VIRTUAL CREDIT CARD PAYMENTS, THE CARRIER SHALL:

(a) NOTIFY THE LICENSED HEALTH-CARE PROVIDER IF ANY FEE IS ASSOCIATED WITH A PARTICULAR PAYMENT METHOD;

(b) ADVISE THE LICENSED HEALTH-CARE PROVIDER OF THE AVAILABLE PAYMENT METHODS AND PROVIDE CLEAR INSTRUCTIONS TO THE LICENSED HEALTH-CARE PROVIDER AS TO HOW TO SELECT AN ALTERNATIVE PAYMENT METHOD; AND

(c) WITH EACH PAYMENT, REMIT AN EXPLANATION OF BENEFITS.

(4) FOR ANY CONTRACT THAT IS IN EFFECT ON OR BEFORE THE EFFECTIVE DATE OF THIS SECTION OR THAT IS ENTERED INTO, AMENDED, OR RENEWED ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION, A CARRIER THAT INITIATES A PAYMENT TO A LICENSED HEALTH-CARE PROVIDER USING, OR CHANGES THE PAYMENT METHOD TO, A HEALTH-CARE ELECTRONIC FUNDS TRANSFERS AND REMITTANCE ADVICE TRANSACTION SHALL NOT CHARGE A FEE SOLELY TO TRANSMIT THE PAYMENT TO THE LICENSED HEALTH-CARE PROVIDER UNLESS THE LICENSED HEALTH-CARE PROVIDER CONSENTS TO THE FEE. A LICENSED HEALTH-CARE PROVIDER'S BILLING SERVICE MAY CHARGE A REASONABLE FEE RELATED TO TRANSACTION MANAGEMENT, DATA MANAGEMENT, PORTAL SERVICES, OR OTHER VALUE-ADDED SERVICES ABOVE AND BEYOND THE BANK TRANSMITTAL WHEN TRANSMITTING AN ELECTRONIC FUNDS TRANSFER.

(5) THE COMMISSIONER HAS THE AUTHORITY TO ENFORCE THIS SECTION AND IMPOSE A PENALTY OR REMEDY AGAINST A PERSON WHO VIOLATES THIS SECTION.

**SECTION 2. Appropriation.** For the 2023-24 state fiscal year, \$12,218 is appropriated to the department of regulatory affairs for use by the division of insurance. This appropriation is from the division of insurance cash fund created in section 10-1-103 (3), C.R.S. To implement this act, the division may use this appropriation for personal services.

**SECTION 3. Act subject to petition - effective date.** This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final

adjournment of the general assembly; except that, if a referendum petition is filed 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 such period, 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 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: April 10, 2023