

**First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO**

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 25-0517.01 Kristen Forrestal x4217

**HOUSE BILL 25-1151**

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**HOUSE SPONSORSHIP**

**Hartsook and Stewart R.,**

**SENATE SPONSORSHIP**

**Roberts,**

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**House Committees**  
Health & Human Services

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE ARBITRATION REQUIREMENT FOR BATCHING**  
102 **OUT-OF-NETWORK HEALTH INSURANCE CLAIMS.**

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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 makes changes to the arbitration requirements for out-of-network health insurance claims by requiring the arbitration process to include a batching process, by which multiple claims may be considered jointly and under the same arbitration fee as part of one payment determination in alignment with federal law. The commissioner of insurance is required to adopt rules that specify the information each

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

HOUSE  
Amended 2nd Reading  
February 26, 2025

insurance carrier is required to submit to a provider with the initial payment of a claim.

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

2           **SECTION 1.** In Colorado Revised Statutes, 10-16-704, **amend**  
3 (15)(b) and (15)(d) as follows:

4           **10-16-704. Network adequacy - required disclosures - balance**  
5 **billing - arbitration - rules - report - legislative declaration -**  
6 **definitions.** (15) (b) The commissioner shall ~~promulgate~~ **ADOPT** rules to  
7 implement an arbitration process that establishes a standard arbitration  
8 form and includes the selection of an arbitrator from a list of qualified  
9 arbitrators developed pursuant to the rules. Qualified arbitrators must be  
10 independent; not be affiliated with a carrier, health-care facility, or  
11 provider or ~~any~~ professional association of carriers, health-care facilities,  
12 or providers; not have a personal, professional, or financial conflict with  
13 ~~any~~ **THE** parties to the arbitration; and have experience in health-care  
14 billing and reimbursement rates. **THE ARBITRATION PROCESS MUST**  
15 **INCLUDE A BATCHING PROCESS FOR CLAIMS MADE FOR OUT-OF-NETWORK**  
16 **EMERGENCY SERVICES PROVIDED TO A COVERED PERSON, BY WHICH**  
17 **MULTIPLE CLAIMS MAY BE CONSIDERED JOINTLY AND UNDER THE SAME**  
18 **ARBITRATION FEE AS PART OF ONE PAYMENT DETERMINATION, THAT**  
19 **ALIGNS WITH THE BATCHING PROCESS IN THE FEDERAL ACT; THE FEDERAL**  
20 **"INTERNAL REVENUE CODE OF 1986", 26 U.S.C. SEC. 9816 (c)(3); THE**  
21 **FEDERAL "EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974", 29**  
22 **U.S.C. SEC. 1001 ET SEQ.; AND THE FEDERAL "PUBLIC HEALTH SERVICE**  
23 **ACT", 42 U.S.C. SEC. 201 ET SEQ. **THE COMMISSIONER SHALL ANNUALLY****  
24 **REPORT ON THE USAGE OF THE BATCHING PROCESS AS PART OF THE**  
25 **DIVISION'S PRESENTATION TO ITS COMMITTEE OF REFERENCE AT A HEARING**

1 HELD PURSUANT TO THE "STATE MEASUREMENT FOR ACCOUNTABLE,  
2 RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT"  
3 REQUIRED PURSUANT TO SECTION 2-7-203. THE COMMISSIONER SHALL  
4 ADOPT RULES TO IMPLEMENT THIS SUBSECTION (15).

5 (d) (I) If the arbitrator's decision made pursuant to subsection  
6 (15)(c) of this section requires additional payment by the carrier above the  
7 amount paid, the carrier shall pay the provider in accordance with section  
8 10-16-106.5. A carrier shall not recalculate a covered person's  
9 cost-sharing amount based on an additional payment required or made as  
10 a result of an arbitration decision.

11 (II) FOR THE PURPOSE OF BATCHING CLAIMS, THE COMMISSIONER  
12 SHALL ADOPT RULES SPECIFYING THE INFORMATION EACH CARRIER IS  
13 REQUIRED TO SUBMIT TO A PROVIDER WITH THE INITIAL PAYMENT OF A  
14 CLAIM, INCLUDING BUT NOT LIMITED TO THE INFORMATION SPECIFIED IN  
15 SUBSECTION (1) OF THIS SECTION USED BY THE CARRIER TO ESTABLISH  
16 NETWORK ADEQUACY. EACH CARRIER MUST PROVIDE ALL INFORMATION  
17 SPECIFIED BY THE COMMISSIONER SO THAT A PROVIDER MAY CORRECTLY  
18 BATCH CLAIMS IN TANDEM WITH THE DELIVERY OF THE INITIAL PAYMENT.  
19 AT THE TIME EACH INITIAL PAYMENT IS MADE, EACH CARRIER MUST  
20 CONSPICUOUSLY DISCLOSE IN WRITING TO THE ENTITY RECEIVING THE  
21 INITIAL PAYMENT THE CLAIMS ADJUSTMENT REASON CODES AND  
22 REMITTANCE ADVICE REMARK CODES AS DESCRIBED IN THE FEDERAL EDI  
23 835 ELECTRONIC HEALTH CARE CLAIM PAYMENT/ADVICE, WHICH SERVES  
24 AS A NOTICE OF PAYMENTS AND ADJUSTMENTS SENT TO PROVIDERS,  
25 BILLING ENTITIES, AND SUPPLIERS, AND MUST USE THE AVAILABLE FIELDS  
26 IN THE FEDERAL EDI 835 ELECTRONIC HEALTH CARE CLAIM  
27 PAYMENT/ADVICE TO DESCRIBE IF THE SERVICES PROVIDED WERE IN

1 NETWORK OR OUT OF NETWORK.

2 (III) EACH GROUP HEALTH BENEFIT PLAN AND EACH CARRIER, AND  
3 ANY OTHER ISSUER OF HEALTH INSURANCE SUBJECT TO THIS SECTION,  
4 SHALL USE EXACTLY ONE OF THE FOLLOWING TWO MUTUALLY EXCLUSIVE  
5 REMITTANCE ADVICE REMARK CODES WITH THE INITIAL PAYMENT OR  
6 NOTICE OF DENIAL TO CLEARLY IDENTIFY WHETHER STATE OR FEDERAL  
7 RULES OR REGULATIONS APPLY:

8 (A) AN N871 ALERT: THIS INITIAL PAYMENT WAS CALCULATED  
9 BASED ON A STATE-SPECIFIED LAW IN ACCORDANCE WITH THE FEDERAL  
10 "NO SURPRISES ACT"; OR

11 (B) AN N859 ALERT: THE FEDERAL "NO SURPRISES ACT" WAS  
12 APPLIED TO THE PROCESSING OF THIS CLAIM. PAYMENT AMOUNTS MAY BE  
13 DISPUTED PURSUANT TO A FEDERAL DOCUMENTED APPEAL, GRIEVANCE, OR  
14 DISPUTE RESOLUTION PROCESS.

15 **SECTION 2. Act subject to petition - effective date.** This act  
16 takes effect at 12:01 a.m. on the day following the expiration of the  
17 ninety-day period after final adjournment of the general assembly; except  
18 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
19 of the state constitution against this act or an item, section, or part of this  
20 act within such period, then the act, item, section, or part will not take  
21 effect unless approved by the people at the general election to be held in  
22 November 2026 and, in such case, will take effect on the date of the  
23 official declaration of the vote thereon by the governor.