

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

**INTRODUCED**

LLS NO. 25-0431.01 Josh Schultz x5486

**SENATE BILL 25-198**

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**SENATE SPONSORSHIP**

**Kipp and Weissman,**

**HOUSE SPONSORSHIP**

**Brown,**

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**Senate Committees**  
Health & Human Services

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING TRANSPARENCY IN TRANSACTIONS INVOLVING MEDICAL**  
102 **CARE ENTITIES.**

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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 repeals and reenacts, with amendments, the current requirements for providing notice of transactions involving licensed hospitals and requires that the parties to a merger, acquisition, or contracting affiliation of one or more health-care entities, long-term care entities, or veterinary care entities (material change transaction) submit specified notice requirements to the attorney general at least 60 days

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.*

before the effective date of the material change transaction. If the terms of the material change transaction are altered or modified following the submission of the written notice, the parties must provide notice to the attorney general of the alteration or modification.

The attorney general may review a required notice of a material change transaction and may assess whether the proposed material change transaction is contrary to the public interest using factors specified in the bill. The attorney general may convert their review of the material change transaction to an investigation under the "Colorado State Antitrust Act of 2023".

The bill prohibits a material change transaction unless:

- The attorney general states that a formal assessment and review of the material change transaction are not necessary;
- The attorney general issues an assessment that the material change transaction is not likely to be contrary to the public interest;
- A court finds that the material change transaction is not likely to be contrary to the public interest;
- 90 days have elapsed since the parties to the material change transaction submitted notice of the material change transaction, and the attorney general has not issued an assessment and has not notified the parties to the material change transaction that more time is required to complete an assessment; or
- The attorney general has notified the parties that more time is required to complete the assessment, and 45 days have elapsed since the attorney general provided the notice.

The attorney general may bring an action in district court to enjoin or unwind a material change transaction or seek other equitable relief necessary to protect the public interest.

Parties to a material change transaction may challenge the attorney general's assessment of a material change transaction in the district court for the city and county of Denver. The reviewing court shall affirm the attorney general's assessment unless a person seeking judicial review proves, by a preponderance of the evidence, specified criteria regarding the attorney general's assessment.

The bill grants the attorney general authority to seek additional information regarding a material change transaction, including requiring the parties to a material change transaction to:

- File a statement or report in writing answering, or to answer in writing, questions propounded by the attorney general as to the facts and circumstances reasonably related to an alleged or potential violation of the bill;
- Appear pursuant to a subpoena or produce relevant documents in aid of an investigation or inquiry; and

- Allow the attorney general to make true copies of documents that may be offered into evidence.

If a person fails to comply with an investigation or inquiry pursuant to a request or subpoena issued by the attorney general, the attorney general may apply to a district court for relief, including a civil penalty of up to \$5,000, reasonable costs, and attorney fees or a protective order.

For at least 5 years after the effective date of a material change transaction, the parties to the material change transaction shall provide the attorney general an annual report meeting specified requirements. The report must be made available to the public on the attorney general's and the parties' websites.

A person that fails to comply with any provision of the bill is subject to a civil penalty of not more than \$200 for each day the person remains in violation. Failure of a party to a material change transaction to provide notice of the material change transaction is an independent and sufficient ground for a court to enjoin or unwind the material change transaction.

The bill requires that, if certain health-care providers refer a patient to an entity for health-care services and the provider, or an immediate family member of the provider, has a financial relationship with the entity, the provider shall disclose the nature of the financial relationship to the patient at the time of the referral.

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

2           **SECTION 1.** In Colorado Revised Statutes, **repeal and reenact,**  
 3 **with amendments,** article 19 of title 6 as follows:

4   **ARTICLE 19**

5   **Transactions Involving Medical Entities**

6           **6-19-101. Definitions.** AS USED IN THIS ARTICLE 19, UNLESS THE  
 7 CONTEXT OTHERWISE REQUIRES:

8           (1)(a) "ACQUISITION" MEANS AN AGREEMENT, ARRANGEMENT, OR  
 9 ACTIVITY, THE CONSUMMATION OF WHICH RESULTS IN A PERSON  
 10 ACQUIRING DIRECTLY OR INDIRECTLY THE OWNERSHIP OR CONTROL OF  
 11 ANOTHER PERSON.

12           (b) "ACQUISITION" INCLUDES:

1 (I) ANY ACQUISITION OF THIRTY PERCENT OR MORE OF VOTING  
2 SECURITIES OR NONCORPORATE INTERESTS, INCLUDING ASSETS, CAPITAL,  
3 STOCK, MEMBERSHIP INTERESTS, OR EQUITY INTERESTS; OR

4 (II) AN ARRANGEMENT, WRITTEN OR ORAL, THAT INCLUDES THE  
5 SALE OF ANY AMOUNT OF VOTING SECURITIES OR NONCORPORATE  
6 INTERESTS THAT ALTERS VOTING CONTROL OF, RESPONSIBILITY FOR, OR  
7 CONTROL OF THE GOVERNING BODY OF A PERSON.

8 (2) "CHARITABLE PURPOSE" HAS THE MEANING SET FORTH IN  
9 SECTION 7-30-101.2.

10 (3) (a) "CONTRACTING AFFILIATION" MEANS A RELATIONSHIP  
11 BETWEEN TWO OR MORE ENTITIES THAT PERMITS THE ENTITIES TO  
12 NEGOTIATE JOINTLY WITH INSURERS OR THIRD-PARTY ADMINISTRATORS  
13 OVER RATES FOR HEALTH-CARE SERVICES, LONG-TERM CARE SERVICES, OR  
14 VETERINARY SERVICES OR FOR ONE ENTITY TO NEGOTIATE ON BEHALF OF  
15 THE OTHER ENTITY WITH INSURERS OR THIRD-PARTY ADMINISTRATORS  
16 OVER RATES FOR HEALTH-CARE SERVICES, LONG-TERM CARE SERVICES, OR  
17 VETERINARY SERVICES.

18 (b) "CONTRACTING AFFILIATION" DOES NOT INCLUDE  
19 ARRANGEMENTS AMONG ENTITIES UNDER COMMON OWNERSHIP.

20 (4) "HEALTH-CARE ENTITY" MEANS A CORPORATION,  
21 PROFESSIONAL SERVICE CORPORATION, PARTNERSHIP, PROVIDER  
22 NETWORK, BUSINESS TRUST, ASSOCIATION, ORGANIZATION, FACILITY, OR  
23 OTHER ENTITY, WHETHER INCORPORATED OR NOT, THAT PROVIDES  
24 HEALTH-CARE SERVICES.

25 (5) "HEALTH-CARE SERVICES" MEANS SERVICES RELATING TO THE  
26 PREVENTION, CURE, OR TREATMENT OF AN ILLNESS, INJURY, CONDITION,  
27 OR DISEASE, INCLUDING MEDICAL, SURGICAL, CHIROPRACTIC, HOSPITAL,

1 OPTOMETRIC, PODIATRIC, DENTAL, PHARMACEUTICAL, AMBULANCE,  
2 MENTAL HEALTH, SUBSTANCE USE DISORDER, THERAPEUTIC, PREVENTIVE,  
3 DIAGNOSTIC, CURATIVE, REHABILITATIVE, PALLIATIVE, AND CUSTODIAL  
4 SERVICES.

5 (6) "INSURER" MEANS AN ENTITY THAT MEETS THE DEFINITION OF:

6 (a) "INSURER" PROVIDED IN SECTION 10-1-102 (13);

7 (b) "CARRIER" PROVIDED IN SECTION 10-16-102 (8); OR

8 (c) "CARRIER" PROVIDED IN SECTION 24-50-603 (2).

9 (7) "LONG-TERM CARE" MEANS "LONG-TERM SERVICES AND  
10 SUPPORTS" AS DEFINED IN SECTION 25.5-6-1702 (10).

11 (8) "LONG-TERM CARE ENTITY" MEANS A CORPORATION,  
12 PROFESSIONAL SERVICE CORPORATION, PARTNERSHIP, PROVIDER  
13 NETWORK, BUSINESS TRUST, ASSOCIATION, ORGANIZATION, FACILITY, OR  
14 OTHER ENTITY, WHETHER INCORPORATED OR NOT, THAT PROVIDES  
15 LONG-TERM CARE.

16 (9) (a) "MATERIAL CHANGE TRANSACTION" MEANS A MERGER,  
17 ACQUISITION, OR CONTRACTING AFFILIATION INVOLVING ONE OR MORE:

18 (I) HEALTH-CARE ENTITIES, LONG-TERM CARE ENTITIES, OR  
19 VETERINARY CARE ENTITIES;

20 (II) ENTITIES ORGANIZED OR CONTROLLED BY AN ENTITY LISTED  
21 IN SUBSECTION (9)(a)(I) OF THIS SECTION;

22 (III) ENTITIES THAT OWN, MANAGE, OR EXERCISE CONTROL OVER  
23 AN ENTITY LISTED IN SUBSECTION (9)(a)(I) OF THIS SECTION; OR

24 (IV) ENTITIES THAT REPRESENT OR ACT ON BEHALF OF AN ENTITY  
25 LISTED IN SUBSECTION (9)(a)(I) OF THIS SECTION IN CONTRACTING WITH  
26 INSURERS OR THIRD-PARTY ADMINISTRATORS.

27 (b) A SERIES OF TRANSACTIONS TAKING PLACE IN ANY FIVE-YEAR

1 PERIOD, WHICH TRANSACTIONS, IN THE AGGREGATE, RESULT IN THE  
2 TRANSFER OF OWNERSHIP OR CONTROL OF FIFTY PERCENT OR MORE OF A  
3 PERSON'S ASSETS, IS A MATERIAL CHANGE TRANSACTION.

4 (10) (a) "MERGER" MEANS A CONSOLIDATION OF TWO OR MORE  
5 ORGANIZATIONS, INCLUDING TWO OR MORE ORGANIZATIONS JOINING  
6 THROUGH A COMMON PARENT ORGANIZATION OR TWO OR MORE  
7 ORGANIZATIONS FORMING A NEW ORGANIZATION.

8 (b) "MERGER" DOES NOT INCLUDE A CORPORATE  
9 REORGANIZATION.

10 (11) "THIRD-PARTY ADMINISTRATOR" MEANS AN ENTITY THAT  
11 ADMINISTERS PAYMENTS FOR HEALTH-CARE SERVICES ON BEHALF OF A  
12 CLIENT IN EXCHANGE FOR AN ADMINISTRATIVE FEE.

13 (12) "VETERINARY CARE ENTITY" MEANS A CORPORATION,  
14 PROFESSIONAL SERVICE CORPORATION, PARTNERSHIP, PROVIDER  
15 NETWORK, BUSINESS TRUST, ASSOCIATION, ORGANIZATION, FACILITY, OR  
16 OTHER ENTITY, WHETHER INCORPORATED OR NOT, THAT PROVIDES  
17 VETERINARY SERVICES.

18 (13) "VETERINARY PROFESSIONAL" HAS THE MEANING SET FORTH  
19 IN SECTION 12-315-104 (21.5).

20 (14) "VETERINARY SERVICES" MEANS SERVICES PROVIDED BY A  
21 VETERINARY PROFESSIONAL.

22 **6-19-102. Notice of material change transaction - form of**  
23 **notice - notice after modification of terms.** (1) NO LATER THAN SIXTY  
24 DAYS BEFORE THE EFFECTIVE DATE OF A MATERIAL CHANGE  
25 TRANSACTION, THE PARTIES TO THE MATERIAL CHANGE TRANSACTION  
26 SHALL SUBMIT WRITTEN NOTICE TO THE ATTORNEY GENERAL OF THE  
27 MATERIAL CHANGE TRANSACTION.

1           (2) FOR A MATERIAL CHANGE TRANSACTION THAT EITHER  
2 INVOLVES AN ENTITY WITH AN AVERAGE ANNUAL REVENUE OF AT LEAST  
3 EIGHTY MILLION DOLLARS OR WILL RESULT IN AN ENTITY PROJECTED TO  
4 HAVE AN AVERAGE ANNUAL REVENUE OF AT LEAST EIGHTY MILLION  
5 DOLLARS, WRITTEN NOTICE PROVIDED BY THE PARTIES AS REQUIRED BY  
6 SUBSECTION (1) OF THIS SECTION MUST INCLUDE:

7           (a) THE PARTIES INVOLVED IN THE MATERIAL CHANGE  
8 TRANSACTION, INCLUDING THE NAMES, HEADQUARTERS BUSINESS  
9 ADDRESSES, AND WEBSITES OF ALL PARTIES, AND THE NAME, CURRENT  
10 HEADQUARTERS BUSINESS ADDRESS, AND WEBSITE OF ANY ULTIMATE  
11 PARENT ENTITIES OF THE PARTIES, AS DEFINED IN 16 CFR 801.1, AS  
12 ADOPTED ON NOVEMBER 12, 2024;

13           (b) THE LEADERSHIP OF THE ENTITIES INVOLVED IN THE MATERIAL  
14 CHANGE TRANSACTION, INCLUDING ALL BOARD MEMBERS, MANAGING  
15 PARTNERS, MEMBER MANAGERS, AND OFFICERS;

16           (c) THE SERVICES PROVIDED BY EACH ENTITY AND THE  
17 ATTRIBUTED REVENUE FOR EACH ENTITY BY LOCATION AND TYPE OF  
18 SERVICE;

19           (d) THE PRIMARY SERVICE AREA FOR EACH LOCATION;

20           (e) THE PROPOSED SERVICE AREA FOR EACH LOCATION;

21           (f) THE CURRENT RELATIONSHIPS BETWEEN THE ENTITIES AND THE  
22 AFFECTED CARE OR SERVICE PROVIDERS, THE LOCATIONS OF AFFECTED  
23 CARE OR SERVICE PROVIDERS, THE SERVICES PROVIDED BY AFFECTED CARE  
24 OR SERVICE PROVIDERS, AND THE PROPOSED RELATIONSHIPS BETWEEN THE  
25 ENTITIES AND THE AFFECTED CARE OR SERVICE PROVIDERS;

26           (g) THE CURRENT CONTRACTUAL RELATIONSHIPS BETWEEN THE  
27 ENTITIES AND INSURERS OR THIRD-PARTY ADMINISTRATORS THAT PROVIDE

1 FOR COVERAGE OF HEALTH-CARE SERVICES, LONG-TERM CARE SERVICES,  
2 OR VETERINARY SERVICES AND THE PROPOSED RELATIONSHIPS BETWEEN  
3 THE ENTITIES AND THE AFFECTED INSURERS OR THIRD-PARTY  
4 ADMINISTRATORS;

5 (h) THE AGREEMENT OR AGREEMENTS THAT GIVE RISE TO THE  
6 MATERIAL CHANGE TRANSACTION AND ALL RELATED AGREEMENTS,  
7 INCLUDING LEASES, MANAGEMENT CONTRACTS, AND SERVICE CONTRACTS;

8 (i) ALL CONSIDERATION RELATED TO THE MATERIAL CHANGE  
9 TRANSACTION;

10 (j) THE MARKETS IN WHICH THE ENTITIES EXPECT THE MATERIAL  
11 CHANGE TRANSACTION TO PRODUCE SYNERGIES OR OTHER COMPETITIVE  
12 ADVANTAGES;

13 (k) POTENTIAL AREAS OF EXPANSION, WHETHER IN EXISTING  
14 MARKETS OR NEW MARKETS;

15 (l) ANY PLANS TO CLOSE FACILITIES, REDUCE WORKFORCE, OR  
16 REDUCE OR ELIMINATE SERVICES;

17 (m) THE NAMES, HEADQUARTERS BUSINESS ADDRESSES, AND  
18 WEBSITES OF BROKERS, EXPERTS, AND CONSULTANTS USED TO FACILITATE  
19 AND EVALUATE THE MATERIAL CHANGE TRANSACTION;

20 (n) THE NUMBER OF FULL-TIME EQUIVALENT POSITIONS AT EACH  
21 LOCATION BEFORE THE MATERIAL CHANGE TRANSACTION AND THE  
22 ANTICIPATED NUMBER OF FULL-TIME EQUIVALENT POSITIONS AT EACH  
23 LOCATION AFTER THE MATERIAL CHANGE TRANSACTION, INDICATED BY  
24 JOB CATEGORY, INCLUDING ADMINISTRATIVE AND CONTRACT POSITIONS;

25 (o) A BRIEF DESCRIPTION OF THE NATURE AND PURPOSE OF EACH  
26 MATERIAL CHANGE TRANSACTION INVOLVING ONE OR MORE OF THE  
27 PARTIES THAT OCCURRED IN THE FIVE YEARS PRECEDING THE NOTICE;



1 (p) A DESCRIPTION OF ANY COMPLAINTS, GRIEVANCES, OR  
2 DISPUTES INVOLVING ONE OR MORE OF THE PARTIES FILED WITH A STATE  
3 LICENSING OR OVERSIGHT ENTITY IN THE THREE YEARS PRECEDING THE  
4 NOTICE;

5 (q) THE CURRENT GOVERNING DOCUMENTS FOR ALL ENTITIES  
6 INVOLVED IN THE MATERIAL CHANGE TRANSACTION AND ANY  
7 AMENDMENTS TO THE DOCUMENTS;

8 (r) ANY EXPERT OR CONSULTANT REPORTS, ANALYSES,  
9 VALUATIONS, PROJECTIONS, OR MODELING CONDUCTED IN EVALUATING  
10 THE MATERIAL CHANGE TRANSACTION, INCLUDING ANY VALUATION OF  
11 THE ASSETS THAT ARE SUBJECT TO THE MATERIAL CHANGE TRANSACTION  
12 WITHIN THREE YEARS PRECEDING THE NOTICE AND ANY REPORTS BY  
13 APPRAISERS, ACCOUNTANTS, INVESTMENT BANKERS, ACTUARIES, AND  
14 OTHER EXPERTS;

15 (s) FOR A MATERIAL CHANGE TRANSACTION INVOLVING THE SALE,  
16 LEASE, OR TRANSFER OF AT LEAST FORTY PERCENT OF A PARTY'S ASSETS,  
17 VOTING SECURITIES, REVENUES, OR CONTROLLING INTERESTS TO ANOTHER  
18 PARTY:

19 (I) A FINANCIAL AND ECONOMIC ANALYSIS AND REPORT PREPARED  
20 BY AN INDEPENDENT EXPERT OR CONSULTANT CONCERNING THE EFFECTS  
21 OF THE MATERIAL CHANGE TRANSACTION; AND

22 (II) AN IMPACT ANALYSIS REPORT PREPARED BY AN INDEPENDENT  
23 EXPERT OR CONSULTANT CONCERNING THE EFFECTS OF THE MATERIAL  
24 CHANGE TRANSACTION ON COMMUNITIES AND THE WORKFORCE,  
25 INCLUDING ANY CHANGES IN AVAILABILITY OR ACCESSIBILITY OF  
26 SERVICES;

27 (t) A CERTIFICATION SWORN UNDER OATH BY EACH BOARD

1 MEMBER AND CHIEF EXECUTIVE OFFICER FOR ANY NONPROFIT ENTITY  
2 INVOLVED IN THE MATERIAL CHANGE TRANSACTION CONTAINING THE  
3 FOLLOWING:

4 (I) AN EXPLANATION OF HOW THE MATERIAL CHANGE  
5 TRANSACTION IS IN THE PUBLIC INTEREST, WHICH EXPLANATION  
6 ADDRESSES THE FACTORS IN SECTION 6-19-104 (1), AND ANY CHANGE TO  
7 AN ENTITY'S CHARITABLE PURPOSE THAT MAY RESULT FROM THE  
8 MATERIAL CHANGE TRANSACTION;

9 (II) A DISCLOSURE OF EACH DECLARANT'S COMPENSATION AND  
10 BENEFITS RELATING TO THE MATERIAL CHANGE TRANSACTION FOR THE  
11 THREE YEARS FOLLOWING THE MATERIAL CHANGE TRANSACTION'S  
12 ANTICIPATED COMPLETION DATE; AND

13 (III) A DISCLOSURE OF ANY CONFLICTS OF INTEREST;

14 (u) WHERE APPLICABLE, IDENTIFICATION OF ANY ASSETS SUBJECT  
15 TO THE MATERIAL CHANGE TRANSACTION THAT ARE CURRENTLY USED FOR  
16 A CHARITABLE PURPOSE, ALL DOCUMENTS REFLECTING THE CHARITABLE  
17 PURPOSES OF ANY ENTITY INVOLVED IN THE MATERIAL CHANGE  
18 TRANSACTION, AND A DESCRIPTION OF ANY CHANGE TO THE CHARITABLE  
19 PURPOSES FOR WHICH AN ASSET IS CURRENTLY USED THAT WILL RESULT  
20 FROM THE MATERIAL CHANGE TRANSACTION;

21 (v) AUDITED AND UNAUDITED FINANCIAL STATEMENTS FROM ALL  
22 PARTIES INVOLVED IN THE MATERIAL CHANGE TRANSACTION AND TAX  
23 FILINGS FOR ALL ENTITIES INVOLVED IN THE MATERIAL CHANGE  
24 TRANSACTION COVERING THE PRECEDING FIVE FISCAL YEARS;

25 (w) A CERTIFICATION THAT THE PARTIES WILL MAKE A NOTICE OF  
26 THE MATERIAL CHANGE TRANSACTION AVAILABLE ON A PUBLIC WEBSITE  
27 WITHIN SEVEN DAYS AFTER THE NOTIFICATION TO THE ATTORNEY

1 GENERAL; AND

2 (x) ANY OTHER INFORMATION RELEVANT TO EVALUATING THE  
3 MATERIAL CHANGE TRANSACTION THAT IS REQUESTED BY THE ATTORNEY  
4 GENERAL.

5 (3) FOR A MATERIAL CHANGE TRANSACTION THAT IS NOT COVERED  
6 BY SUBSECTION (2) OF THIS SECTION, AND THAT EITHER INVOLVES AN  
7 ENTITY WITH AN AVERAGE ANNUAL REVENUE OF AT LEAST THIRTY  
8 MILLION DOLLARS OR WILL RESULT IN AN ENTITY PROJECTED TO HAVE AN  
9 AVERAGE ANNUAL REVENUE OF AT LEAST THIRTY MILLION DOLLARS,  
10 WRITTEN NOTICE PROVIDED BY THE PARTIES AS REQUIRED BY SUBSECTION  
11 (1) OF THIS SECTION MUST INCLUDE:

12 (a) THE PARTIES INVOLVED IN THE MATERIAL CHANGE  
13 TRANSACTION, INCLUDING THE NAMES, HEADQUARTERS BUSINESS  
14 ADDRESSES, AND WEBSITES OF ALL PARTIES, AND THE NAME, CURRENT  
15 HEADQUARTERS BUSINESS ADDRESS, AND WEBSITE OF ANY ULTIMATE  
16 PARENT ENTITIES OF THE PARTIES, AS DEFINED IN 16 CFR 801.1, AS  
17 ADOPTED ON NOVEMBER 12, 2024;

18 (b) THE LEADERSHIP OF THE ENTITIES INVOLVED IN THE MATERIAL  
19 CHANGE TRANSACTION, INCLUDING ALL BOARD MEMBERS, MANAGING  
20 PARTNERS, MEMBER MANAGERS, AND OFFICERS;

21 (c) THE SERVICES PROVIDED BY EACH ENTITY AND THE  
22 ATTRIBUTED REVENUE FOR EACH ENTITY BY LOCATION AND TYPE OF  
23 SERVICE;

24 (d) THE CURRENT CONTRACTUAL RELATIONSHIPS BETWEEN THE  
25 ENTITIES AND INSURERS OR THIRD-PARTY ADMINISTRATORS THAT PROVIDE  
26 FOR COVERAGE OF HEALTH-CARE SERVICES, LONG-TERM CARE SERVICES,  
27 OR VETERINARY SERVICES AND THE PROPOSED RELATIONSHIPS BETWEEN

1 THE ENTITIES AND THE AFFECTED INSURERS OR THIRD-PARTY  
2 ADMINISTRATORS;

3 (e) THE AGREEMENT OR AGREEMENTS THAT GIVE RISE TO THE  
4 MATERIAL CHANGE TRANSACTION AND ALL RELATED AGREEMENTS,  
5 INCLUDING LEASES, MANAGEMENT CONTRACTS, AND SERVICE CONTRACTS;

6 (f) THE MARKETS IN WHICH THE ENTITIES EXPECT THE MATERIAL  
7 CHANGE TRANSACTION TO PRODUCE SYNERGIES OR OTHER COMPETITIVE  
8 ADVANTAGES;

9 (g) POTENTIAL AREAS OF EXPANSION, WHETHER IN EXISTING  
10 MARKETS OR NEW MARKETS;

11 (h) ANY PLANS TO CLOSE FACILITIES, REDUCE WORKFORCE, OR  
12 REDUCE OR ELIMINATE SERVICES;

13 (i) THE NUMBER OF FULL-TIME EQUIVALENT POSITIONS AT EACH  
14 LOCATION BEFORE THE MATERIAL CHANGE TRANSACTION AND THE  
15 ANTICIPATED NUMBER OF FULL-TIME EQUIVALENT POSITIONS AT EACH  
16 LOCATION AFTER THE MATERIAL CHANGE TRANSACTION, INDICATED BY  
17 JOB CATEGORY, INCLUDING ADMINISTRATIVE AND CONTRACT POSITIONS;

18 (j) A BRIEF DESCRIPTION OF THE NATURE AND PURPOSE OF THE  
19 PROPOSED MATERIAL CHANGE TRANSACTION, INCLUDING THE NUMBER OF  
20 INDIVIDUAL PROVIDERS OF HEALTH-CARE SERVICES, LONG-TERM CARE, OR  
21 VETERINARY SERVICES AFFECTED;

22 (k) A BRIEF DESCRIPTION OF THE NATURE AND PURPOSE OF EACH  
23 MATERIAL CHANGE TRANSACTION THAT INVOLVES ONE OR MORE OF THE  
24 PARTIES AND THAT OCCURRED IN THE FIVE YEARS PRECEDING THE NOTICE;

25 (l) ALL DOCUMENTS REFLECTING THE CHARITABLE PURPOSES OF  
26 ANY PARTY TO THE MATERIAL CHANGE TRANSACTION, AND A DESCRIPTION  
27 OF ANY CHANGE TO CHARITABLE PURPOSES THAT WILL RESULT FROM THE

1 MATERIAL CHANGE TRANSACTION;

2 (m) A CERTIFICATION THAT THE PARTIES WILL MAKE A NOTICE OF  
3 THE MATERIAL CHANGE TRANSACTION AVAILABLE ON A PUBLIC WEBSITE  
4 WITHIN SEVEN DAYS AFTER THE NOTIFICATION TO THE ATTORNEY  
5 GENERAL, OR A CERTIFICATION THAT NO PARTY INVOLVED IN THE  
6 MATERIAL CHANGE TRANSACTION MAINTAINS A PUBLIC WEBSITE WHERE  
7 SUCH NOTICE COULD BE MADE AVAILABLE; AND

8 (n) THE ANTICIPATED EFFECTIVE DATE OF THE PROPOSED  
9 MATERIAL CHANGE TRANSACTION.

10 (4) FOR A MATERIAL CHANGE TRANSACTION THAT IS NOT COVERED  
11 BY SUBSECTION (2) OR (3) OF THIS SECTION, WRITTEN NOTICE PROVIDED BY  
12 THE PARTIES AS REQUIRED BY SUBSECTION (1) OF THIS SECTION MUST  
13 INCLUDE:

14 (a) THE NAMES, HEADQUARTERS BUSINESS ADDRESSES, AND  
15 WEBSITES OF ALL PARTIES TO THE MATERIAL CHANGE TRANSACTION;

16 (b) THE NAMES AND CONTACT INFORMATION OF ALL OWNERS,  
17 DIRECTORS, AND OFFICERS OF ALL PARTIES TO THE MATERIAL CHANGE  
18 TRANSACTION;

19 (c) IDENTIFICATION OF ALL LOCATIONS WHERE HEALTH-CARE  
20 SERVICES, LONG-TERM CARE SERVICES, OR VETERINARY SERVICES ARE  
21 CURRENTLY PROVIDED BY EACH PARTY AND THE TYPE OF SERVICES  
22 PROVIDED AT EACH LOCATION;

23 (d) A BRIEF DESCRIPTION OF THE NATURE AND PURPOSE OF THE  
24 PROPOSED MATERIAL CHANGE TRANSACTION, INCLUDING THE NUMBER OF  
25 INDIVIDUAL PROVIDERS OF HEALTH-CARE SERVICES, LONG-TERM CARE, OR  
26 VETERINARY SERVICES AFFECTED;

27 (e) A BRIEF DESCRIPTION OF THE NATURE AND PURPOSE OF EACH

1 MATERIAL CHANGE TRANSACTION THAT INVOLVES ONE OR MORE OF THE  
2 PARTIES AND THAT OCCURRED IN THE FIVE YEARS PRECEDING THE NOTICE;

3 (f) ALL DOCUMENTS REFLECTING THE CHARITABLE PURPOSES OF  
4 ANY PARTY TO THE MATERIAL CHANGE TRANSACTION, AND A DESCRIPTION  
5 OF ANY CHANGE TO THE CHARITABLE PURPOSES THAT WILL RESULT FROM  
6 THE MATERIAL CHANGE TRANSACTION;

7 (g) A CERTIFICATION THAT THE PARTIES WILL MAKE A NOTICE OF  
8 THE MATERIAL CHANGE TRANSACTION AVAILABLE ON A PUBLIC WEBSITE  
9 WITHIN SEVEN DAYS AFTER THE NOTIFICATION TO THE ATTORNEY  
10 GENERAL OR THAT NO ENTITY INVOLVED IN THE MATERIAL CHANGE  
11 TRANSACTION MAINTAINS A PUBLIC WEBSITE WHERE SUCH NOTICE COULD  
12 BE MADE AVAILABLE; AND

13 (h) THE ANTICIPATED EFFECTIVE DATE OF THE PROPOSED  
14 MATERIAL CHANGE TRANSACTION.

15 (5) A TRANSACTION OR OTHER DEVICE ENTERED INTO OR  
16 EMPLOYED FOR THE PURPOSE OF AVOIDING THE OBLIGATION TO COMPLY  
17 WITH THIS SECTION IS VOID, AND WHETHER THE PARTIES MUST COMPLY  
18 WITH SUBSECTION (2), (3), OR (4) OF THIS SECTION IS DETERMINED BY  
19 APPLYING THIS ARTICLE 19 AND ANY ASSOCIATED RULES TO THE  
20 SUBSTANCE OF THE MATERIAL CHANGE TRANSACTION.

21 (6) A PARTY TO A MATERIAL CHANGE TRANSACTION MAY REQUEST  
22 THAT THE ATTORNEY GENERAL SUBJECT THE MATERIAL CHANGE  
23 TRANSACTION TO A DIFFERENT CATEGORY OF NOTICE REQUIREMENT, AS  
24 DESCRIBED IN SUBSECTIONS (2), (3), AND (4) OF THIS SECTION, FROM THE  
25 NOTICE REQUIREMENT THAT APPLIES DUE TO THE AVERAGE ANNUAL  
26 REVENUE CLASSIFICATION OF THE MATERIAL CHANGE TRANSACTION. THE  
27 ATTORNEY GENERAL MAY GRANT THE PARTY'S REQUEST IF THE ATTORNEY

1 GENERAL DETERMINES THAT THE REQUEST IS IN THE PUBLIC INTEREST.

2 (7) IF THE TERMS OF A MATERIAL CHANGE TRANSACTION ARE  
3 ALTERED OR MODIFIED FOLLOWING THE SUBMISSION OF A WRITTEN NOTICE  
4 PURSUANT TO THIS SECTION, THE PARTIES SHALL PROVIDE NOTICE TO THE  
5 ATTORNEY GENERAL OF THE ALTERATION OR MODIFICATION, INCLUDING  
6 NEW COPIES OF THE INFORMATION REQUIRED UNDER THIS SECTION THAT  
7 IS SUBJECT TO ALTERATION OR MODIFICATION.

8 (8) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE  
9 CONTRARY, THE ATTORNEY GENERAL MAY WAIVE ALL OR PART OF THE  
10 DISCLOSURE REQUIREMENTS DESCRIBED IN THIS SECTION.

11 (9) NOTHING IN THIS ARTICLE 19 PROHIBITS THE PARTIES TO A  
12 MATERIAL CHANGE TRANSACTION FROM VOLUNTARILY PROVIDING  
13 INFORMATION TO THE ATTORNEY GENERAL.

14 **6-19-103. Requests for additional information - failure to**  
15 **comply - admissibility - rules.** (1) FOLLOWING THE RECEIPT OF NOTICE  
16 OF A PROPOSED MATERIAL CHANGE TRANSACTION PURSUANT TO SECTION  
17 6-19-102, THE ATTORNEY GENERAL MAY:

18 (a) REQUIRE A PERSON, UNDER OATH OR OTHERWISE AND ON  
19 FORMS PRESCRIBED BY THE ATTORNEY GENERAL, TO FILE A STATEMENT OR  
20 REPORT IN WRITING ANSWERING, OR TO ANSWER IN WRITING, QUESTIONS  
21 PROPOUNDED BY THE ATTORNEY GENERAL AS TO THE FACTS AND  
22 CIRCUMSTANCES REASONABLY RELATED TO AN ALLEGED OR POTENTIAL  
23 VIOLATION OF THIS ARTICLE 19 AND TO PROVIDE OTHER DATA AND  
24 INFORMATION THE ATTORNEY GENERAL REASONABLY DEEMS NECESSARY;

25 (b) ISSUE SUBPOENAS TO REQUIRE THE ATTENDANCE OF WITNESSES  
26 OR THE PRODUCTION OF RELEVANT DOCUMENTS, ADMINISTER OATHS,  
27 CONDUCT HEARINGS IN AID OF AN INVESTIGATION OR INQUIRY, AND

1 PRESCRIBE FORMS AND ADOPT RULES AS MAY REASONABLY BE DEEMED  
2 NECESSARY TO ADMINISTER THIS SECTION; AND

3 (c) MAKE TRUE COPIES, AT THE EXPENSE OF THE ATTORNEY  
4 GENERAL, OF ANY DOCUMENTS EXAMINED PURSUANT TO SUBSECTION  
5 (1)(b) OF THIS SECTION, WHICH COPIES MAY BE OFFERED INTO EVIDENCE  
6 IN LIEU OF THE ORIGINALS IN A CIVIL ACTION BROUGHT PURSUANT TO THIS  
7 ARTICLE 19. THE PERSON PRODUCING THE DOCUMENTS MAY REQUIRE THAT  
8 THE ATTORNEY GENERAL MAKE COPIES OF THE DOCUMENTS. IF THE  
9 ATTORNEY GENERAL DETERMINES THE USE OF ORIGINALS IS NECESSARY,  
10 THE ATTORNEY GENERAL SHALL PAY TO HAVE COPIES OF THOSE  
11 DOCUMENTS MADE FOR USE BY THE PERSON PRODUCING THE DOCUMENTS.

12 (2) SERVICE OF A REQUEST FOR INFORMATION OR SUBPOENA  
13 PURSUANT TO THIS SECTION MUST BE MADE IN THE MANNER PRESCRIBED  
14 BY LAW.

15 (3) IF A PERSON FAILS TO APPEAR OR FAILS TO COOPERATE WITH AN  
16 INVESTIGATION OR INQUIRY MADE OR A SUBPOENA ISSUED PURSUANT TO  
17 THIS SECTION, THE ATTORNEY GENERAL MAY APPLY TO A DISTRICT COURT  
18 FOR AN APPROPRIATE ORDER TO EFFECT THE PURPOSES OF THIS ARTICLE  
19 19. THE APPLICATION MUST STATE THAT THERE IS REASONABLE CAUSE TO  
20 BELIEVE THAT THE ORDER APPLIED FOR IS NECESSARY TO ENFORCE THIS  
21 ARTICLE 19. IF THE COURT IS SATISFIED THAT REASONABLE CAUSE EXISTS,  
22 THE COURT MAY:

23 (a) REQUIRE THE ATTENDANCE OF, OR THE PRODUCTION OF  
24 DOCUMENTS BY, THE PERSON, OR BOTH;

25 (b) ASSESS A CIVIL PENALTY OF UP TO FIVE THOUSAND DOLLARS  
26 FOR THE FAILURE TO APPEAR AND ANSWER QUESTIONS, WRITTEN OR  
27 OTHERWISE, OR THE FAILURE TO PRODUCE DOCUMENTS, UNLESS THE



1 COURT FINDS THAT THE FAILURE TO APPEAR, TO ANSWER QUESTIONS, OR  
2 TO PRODUCE DOCUMENTS WAS SUBSTANTIALLY JUSTIFIED OR THAT OTHER  
3 CIRCUMSTANCES MAKE AN ASSESSMENT OF A CIVIL PENALTY UNJUST;

4 (c) AWARD THE ATTORNEY GENERAL REASONABLE COSTS AND  
5 ATTORNEY FEES IN MAKING THE APPLICATION, UNLESS THE COURT FINDS  
6 THAT THE FAILURE TO APPEAR, TO ANSWER QUESTIONS, OR TO PRODUCE  
7 DOCUMENTS WAS SUBSTANTIALLY JUSTIFIED OR THAT OTHER  
8 CIRCUMSTANCES MAKE AN AWARD OF COSTS AND ATTORNEY FEES UNJUST;

9 (d) ENTER A PROTECTIVE ORDER AS PROVIDED FOR IN THE  
10 COLORADO RULES OF CIVIL PROCEDURE; AND

11 (e) GRANT OTHER OR FURTHER RELIEF AS MAY BE NECESSARY TO  
12 OBTAIN COMPLIANCE BY THE PERSON.

13 (4) MATERIALS PROVIDED TO THE ATTORNEY GENERAL PURSUANT  
14 TO THIS SECTION AND ANY OTHER WRITTEN RESPONSE, TESTIMONY, OR  
15 DOCUMENTS OBTAINED BY THE ATTORNEY GENERAL PURSUANT TO THIS  
16 SECTION, OR INFORMATION DERIVED DIRECTLY OR INDIRECTLY FROM THE  
17 WRITTEN RESPONSE, TESTIMONY, OR DOCUMENTS, ARE NOT ADMISSIBLE IN  
18 EVIDENCE IN A CRIMINAL PROSECUTION AGAINST THE PERSON PROVIDING  
19 THE WRITTEN RESPONSE, TESTIMONY, OR DOCUMENTS. THIS ARTICLE 19  
20 DOES NOT PREVENT A LAW ENFORCEMENT OFFICER FROM PRODUCING OR  
21 OBTAINING THE SAME OR SIMILAR FACTS, INFORMATION, OR EVIDENCE FOR  
22 USE IN A CRIMINAL PROSECUTION, SO LONG AS THE LAW ENFORCEMENT  
23 OFFICER HAS AN INDEPENDENT BASIS FOR DOING SO.

24 (5) NOTHING IN THIS SECTION PROHIBITS THE ATTORNEY GENERAL  
25 FROM DISCLOSING INFORMATION OBTAINED PURSUANT TO THIS ARTICLE 19  
26 TO ANOTHER LAW ENFORCEMENT AGENCY, A DEPARTMENT OF A  
27 GOVERNMENTAL OR PUBLIC ENTITY OF THIS OR ANOTHER STATE, OR THE

1 FEDERAL GOVERNMENT TO ASSIST WITH AN ONGOING INVESTIGATION AND  
2 IF THE OTHER LAW ENFORCEMENT AGENCY OR DEPARTMENT EXECUTES AN  
3 AGREEMENT STATING THAT THE INFORMATION WILL REMAIN  
4 CONFIDENTIAL AND WILL NOT BE ADMITTED AS EVIDENCE IN A CRIMINAL  
5 PROSECUTION AGAINST THE PERSON PROVIDING THE WRITTEN RESPONSE,  
6 TESTIMONY, OR DOCUMENTS.

7 (6) NOTICES PROVIDED PURSUANT TO SECTION 6-19-102 AND ANY  
8 ADDITIONAL INFORMATION RECEIVED PURSUANT TO THIS SECTION ARE  
9 INVESTIGATIVE RECORDS. THE ATTORNEY GENERAL MAY DEEM  
10 INVESTIGATIVE RECORDS OR RECORDS REGARDING INTELLIGENCE  
11 INFORMATION OBTAINED UNDER THIS ARTICLE 19 PUBLIC RECORDS  
12 SUBJECT TO PUBLIC INSPECTION IN ACCORDANCE WITH THE "COLORADO  
13 OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE 24.

14 (7) NOTHING IN THIS SECTION PREVENTS OR LIMITS THE ATTORNEY  
15 GENERAL'S AUTHORITY TO ISSUE PUBLIC STATEMENTS DESCRIBING OR  
16 WARNING OF CONDUCT THAT VIOLATES THIS ARTICLE 19, OR ANOTHER  
17 ARTICLE OF THIS TITLE 6, REGARDLESS OF WHETHER THE PUBLIC  
18 STATEMENTS ARE MADE ON A LOCAL, STATEWIDE, REGIONAL, OR  
19 NATIONWIDE BASIS.

20 **6-19-104. Assessment of proposed material change transaction**  
21 **by the attorney general - prohibition of proposed material change**  
22 **transaction that is contrary to the public interest - appeal of**  
23 **assessment - enforcement.** (1) THE ATTORNEY GENERAL MAY REVIEW A  
24 NOTICE PROVIDED PURSUANT TO SECTION 6-19-102. IF THE ATTORNEY  
25 GENERAL REVIEWS SUCH A NOTICE, THE ATTORNEY GENERAL MAY ASSESS  
26 WHETHER THE PROPOSED MATERIAL CHANGE TRANSACTION IS CONTRARY  
27 TO THE PUBLIC INTEREST. AN ASSESSMENT BY THE ATTORNEY GENERAL

1 MUST CONSIDER WHETHER THE MATERIAL CHANGE TRANSACTION WILL:

2 (a) HARM PUBLIC HEALTH, INCLUDING BY REDUCING AVAILABLE  
3 SERVICES, WORKFORCE, OR HEALTH OUTCOMES;

4 (b) REDUCE THE AFFECTED COMMUNITY'S CONTINUED ACCESS TO  
5 AFFORDABLE AND QUALITY CARE AND TO THE RANGE OF SERVICES  
6 HISTORICALLY PROVIDED BY THE ENTITIES OR WILL PREVENT MEMBERS IN  
7 THE AFFECTED COMMUNITY FROM RECEIVING A COMPARABLE OR BETTER  
8 PATIENT EXPERIENCE;

9 (c) HAVE A DETRIMENTAL IMPACT ON COMPETING HEALTH-CARE  
10 OPTIONS WITHIN PRIMARY AND DISPERSED SERVICE AREAS;

11 (d) REDUCE DELIVERY OF HEALTH CARE TO DISADVANTAGED,  
12 UNINSURED, UNDERINSURED, AND UNDERSERVED POPULATIONS AND TO  
13 POPULATIONS ENROLLED IN PUBLIC HEALTH-CARE PROGRAMS;

14 (e) HAVE A SUBSTANTIAL NEGATIVE IMPACT ON MEDICAL  
15 EDUCATION AND TEACHING PROGRAMS, HEALTH-CARE WORKFORCE  
16 TRAINING, OR MEDICAL RESEARCH;

17 (f) HAVE A NEGATIVE IMPACT ON THE MARKETS FOR:

18 (I) HEALTH-CARE SERVICES, LONG-TERM CARE SERVICES, OR  
19 VETERINARY SERVICES;

20 (II) SERVICES PROVIDED BY INSURERS; OR

21 (III) WORKERS HIRED OR CONTRACTED TO PROVIDE HEALTH-CARE  
22 SERVICES, LONG-TERM CARE SERVICES, OR VETERINARY CARE SERVICES;

23 (g) INCREASE HEALTH-CARE, LONG-TERM CARE, OR VETERINARY  
24 CARE COSTS FOR PATIENTS;

25 (h) REDUCE BILLING TRANSPARENCY OR INCREASE THE RISK OF  
26 UNFAIR, DECEPTIVE, OR ABUSIVE BILLING PRACTICES;

27 (i) ADVERSELY IMPACT PROVIDER COST TRENDS AND

1 CONTAINMENT OF TOTAL HEALTH-CARE SPENDING;

2 (j) HAVE A NEGATIVE IMPACT ON WAGES PAID BY, OR THE NUMBER  
3 OF EMPLOYEES EMPLOYED BY, A HEALTH-CARE, LONG-TERM CARE, OR  
4 VETERINARY CARE ENTITY INVOLVED IN A MATERIAL CHANGE  
5 TRANSACTION;

6 (k) HAVE A NEGATIVE IMPACT ON WAGES, COLLECTIVE  
7 BARGAINING UNITS, AND COLLECTIVE BARGAINING AGREEMENTS OF  
8 EXISTING OR FUTURE WORKERS EMPLOYED BY A HEALTH-CARE,  
9 LONG-TERM CARE, OR VETERINARY CARE ENTITY INVOLVED IN A MATERIAL  
10 CHANGE TRANSACTION;

11 (l) FAIL TO ENSURE THAT, IF ASSETS CURRENTLY USED FOR A  
12 CHARITABLE PURPOSE WILL NO LONGER BE SUBJECT TO A CHARITABLE  
13 PURPOSE, APPROPRIATE STEPS ARE TAKEN TO SAFEGUARD THE VALUE OF  
14 THE ASSETS AND TO ENSURE THAT ANY PROCEEDS OF THE MATERIAL  
15 CHANGE TRANSACTION ARE DEDICATED TO THE CHARITABLE PURPOSES  
16 FOR WHICH THE ASSETS ARE CURRENTLY USED; OR

17 (m) RESULT IN A DIRECTOR, OFFICER OF THE BOARD, CHIEF  
18 EXECUTIVE OFFICER, CHIEF OPERATING OFFICER, OR CHIEF FINANCIAL  
19 OFFICER OF A NONPROFIT ENTITY THAT WILL EXPERIENCE A CHANGE IN  
20 CHARITABLE PURPOSE AS A RESULT OF THE MATERIAL CHANGE  
21 TRANSACTION, OR A NONPROFIT CHARITABLE ORGANIZATION RECEIVING  
22 THE PROCEEDS OF THE MATERIAL CHANGE TRANSACTION, BENEFITTING  
23 DIRECTLY OR INDIRECTLY FROM THE TRANSACTION.

24 (2) (a) THE ATTORNEY GENERAL MAY ISSUE A WRITTEN  
25 ASSESSMENT, BASED ON THE FACTS AND EVIDENCE AVAILABLE, THAT:

26 (I) A FORMAL ASSESSMENT AND REVIEW ARE NOT NECESSARY FOR  
27 THE MATERIAL CHANGE TRANSACTION OR THAT THE NOTICED CHANGE

1 DOES NOT CONSTITUTE A MATERIAL CHANGE TRANSACTION;

2 (II) THE MATERIAL CHANGE TRANSACTION IS NOT LIKELY TO BE  
3 CONTRARY TO THE PUBLIC INTEREST; OR

4 (III) THE MATERIAL CHANGE TRANSACTION IS CONTRARY TO THE  
5 PUBLIC INTEREST.

6 (b) THE ATTORNEY GENERAL SHALL INCLUDE IN AN ASSESSMENT  
7 SPECIFIC FINDINGS ON EACH OF THE FACTORS PROVIDED IN SUBSECTION (1)  
8 OF THIS SECTION OR OTHER FACTORS CONSIDERED THAT WERE RELEVANT  
9 TO THE ATTORNEY GENERAL'S ASSESSMENT.

10 (3) THE ATTORNEY GENERAL MAY ISSUE AN ASSESSMENT  
11 PURSUANT TO SUBSECTION (2)(a)(I) OR (2)(a)(II) OF THIS SECTION SUBJECT  
12 TO THE AGREEMENT OF THE PARTIES TO CONDITIONS THAT THE ATTORNEY  
13 GENERAL DEEMS NECESSARY TO PREVENT THE OUTCOMES DESCRIBED IN  
14 SUBSECTION (1) OF THIS SECTION.

15 (4) THE ATTORNEY GENERAL, AT ANY POINT IN THEIR REVIEW OF  
16 A MATERIAL CHANGE TRANSACTION UNDER THIS ARTICLE 19, MAY  
17 CONVERT THEIR INVESTIGATION OF THE MATERIAL CHANGE TRANSACTION  
18 TO AN INVESTIGATION UNDER THE "COLORADO STATE ANTITRUST ACT OF  
19 2023", ARTICLE 4 OF THIS TITLE 6, WITH ALL POWERS, AUTHORITIES, AND  
20 REMEDIES AVAILABLE UNDER THAT ACT.

21 (5) AN ASSESSMENT ISSUED PURSUANT TO SUBSECTION (2) OF THIS  
22 SECTION IS NOT EFFECTIVE IF THE TERMS OF THE MATERIAL CHANGE  
23 TRANSACTION ARE ALTERED OR MODIFIED AFTER THE ATTORNEY GENERAL  
24 ISSUES THE ASSESSMENT. IF THE PARTIES TO A MATERIAL CHANGE  
25 TRANSACTION ALTER OR MODIFY THE TERMS OF THE MATERIAL CHANGE  
26 TRANSACTION FOLLOWING ISSUANCE OF THE ASSESSMENT, THE PARTIES  
27 SHALL NOT INSTITUTE OR MAKE EFFECTIVE THE MATERIAL CHANGE

1 TRANSACTION UNTIL THE ATTORNEY GENERAL HAS:

2 (a) RECEIVED NOTICE AND UPDATED INFORMATION IN COMPLIANCE  
3 WITH SECTION 6-19-102 (7) OR WAIVED THE REQUIREMENT FOR THE  
4 NOTICE AND UPDATED INFORMATION PURSUANT TO SECTION 6-19-102 (8);  
5 AND

6 (b) RENEWED THE PRIOR ASSESSMENT OR ISSUED A NEW  
7 ASSESSMENT PURSUANT TO SUBSECTION (2) OF THIS SECTION ON THE BASIS  
8 OF THE UPDATED INFORMATION.

9 (6) (a) PARTIES TO A MATERIAL CHANGE TRANSACTION MAY  
10 COMMENCE AN ACTION FOR JUDICIAL REVIEW IN THE DISTRICT COURT FOR  
11 THE CITY AND COUNTY OF DENVER WITHIN THIRTY-FIVE DAYS AFTER AN  
12 ASSESSMENT IS ISSUED PURSUANT TO SUBSECTION (2) OF THIS SECTION.

13 (b) IF A PARTY TO A MATERIAL CHANGE TRANSACTION SEEKS  
14 JUDICIAL REVIEW, THE REVIEWING COURT SHALL AFFIRM THE ATTORNEY  
15 GENERAL'S ASSESSMENT UNLESS THE PERSON SEEKING JUDICIAL REVIEW  
16 PROVES, BY A PREPONDERANCE OF THE EVIDENCE, THAT THE ATTORNEY  
17 GENERAL'S ASSESSMENT IS:

18 (I) ARBITRARY OR CAPRICIOUS;

19 (II) A DENIAL OF A STATUTORY RIGHT;

20 (III) CONTRARY TO A CONSTITUTIONAL RIGHT, POWER, PRIVILEGE,  
21 OR IMMUNITY;

22 (IV) IN EXCESS OF STATUTORY JURISDICTION, AUTHORITY,  
23 PURPOSE, OR LIMITATION;

24 (V) NOT IN ACCORD WITH THE PROCEDURES OR PROCEDURAL  
25 LIMITATIONS OF THIS ARTICLE 19 OR OTHERWISE REQUIRED BY LAW;

26 (VI) AN ABUSE OR CLEARLY UNWARRANTED EXERCISE OF  
27 DISCRETION;

1 (VII) BASED UPON FINDINGS OF FACT THAT ARE CLEARLY  
2 ERRONEOUS ON THE WHOLE RECORD;

3 (VIII) UNSUPPORTED BY SUBSTANTIAL EVIDENCE WHEN THE  
4 RECORD IS CONSIDERED AS A WHOLE; OR

5 (IX) OTHERWISE CONTRARY TO LAW.

6 (c) THE COMPLAINT MADE PURSUANT TO THIS SUBSECTION (6)  
7 MUST STATE THE FACTS UPON WHICH THE PLAINTIFF BASES THE CLAIM  
8 THAT THE ATTORNEY GENERAL'S ASSESSMENT IS UNLAWFUL, THE REASONS  
9 ENTITLING THE PLAINTIFF TO RELIEF, AND THE RELIEF THAT THEY SEEK.

10 (d) THE REVIEWING COURT MAY ISSUE ANY ORDER NECESSARY TO  
11 ENSURE THAT THE MATERIAL CHANGE TRANSACTION IS NOT CONTRARY TO  
12 THE PUBLIC INTEREST.

13 (7) A PARTY TO A MATERIAL CHANGE TRANSACTION SHALL NOT  
14 INSTITUTE OR MAKE EFFECTIVE THE MATERIAL CHANGE TRANSACTION  
15 UNTIL:

16 (a) THE ATTORNEY GENERAL STATES, PURSUANT TO SUBSECTION  
17 (2)(a)(I) OF THIS SECTION, THAT A FORMAL ASSESSMENT AND REVIEW ARE  
18 NOT NECESSARY OR THAT THE NOTICED CHANGE IS NOT A MATERIAL  
19 CHANGE TRANSACTION;

20 (b) THE ATTORNEY GENERAL ISSUES AN ASSESSMENT THAT THE  
21 MATERIAL CHANGE TRANSACTION IS NOT LIKELY TO BE CONTRARY TO THE  
22 PUBLIC INTEREST PURSUANT SUBSECTION (2)(a)(II) OF THIS SECTION;

23 (c) A COURT:

24 (I) AFFIRMS THE ATTORNEY GENERAL'S ASSESSMENT PURSUANT TO  
25 SUBSECTION (6)(b) OF THIS SECTION THAT THE MATERIAL CHANGE  
26 TRANSACTION IS NOT LIKELY TO BE CONTRARY TO THE PUBLIC INTEREST;

27 OR

1 (II) FINDS THAT THE MATERIAL CHANGE TRANSACTION IS NOT  
2 LIKELY TO BE CONTRARY TO THE PUBLIC INTEREST;

3 (d) NINETY DAYS HAVE ELAPSED SINCE THE PARTIES TO THE  
4 MATERIAL CHANGE TRANSACTION LAST SUBMITTED WRITTEN NOTICE TO  
5 THE ATTORNEY GENERAL OF THE MATERIAL CHANGE TRANSACTION  
6 PURSUANT TO SECTION 6-19-102 OR SUBSECTION (5)(a) OF THIS SECTION,  
7 AND THE ATTORNEY GENERAL HAS NOT NOTIFIED THE PARTIES TO THE  
8 MATERIAL CHANGE TRANSACTION THAT THE ATTORNEY GENERAL  
9 REQUIRES MORE TIME TO COMPLETE AN ASSESSMENT; OR

10 (e) THE ATTORNEY GENERAL HAS NOTIFIED THE PARTIES THAT  
11 MORE TIME IS REQUIRED TO COMPLETE THE ASSESSMENT PURSUANT TO  
12 SUBSECTION (7)(d) OF THIS SECTION, AND AT LEAST FORTY-FIVE DAYS  
13 HAVE ELAPSED SINCE THE ATTORNEY GENERAL PROVIDED THE NOTICE.

14 (8) THE ATTORNEY GENERAL MAY BRING AN ACTION IN DISTRICT  
15 COURT:

16 (a) TO PREVENT OR RESTRAIN VIOLATIONS OF THIS SECTION;

17 (b) TO ENFORCE COMPLIANCE WITH CONDITIONS AGREED TO  
18 PURSUANT TO SUBSECTION (3) OF THIS SECTION; OR

19 (c) FOR OTHER SUCH EQUITABLE RELIEF AS MAY BE NECESSARY TO  
20 PROTECT THE PUBLIC INTEREST, INCLUDING AN ORDER UNWINDING THE  
21 MATERIAL CHANGE TRANSACTION.

22 (9) AN ASSESSMENT ISSUED UNDER THIS SECTION OR A DECISION  
23 NOT TO ISSUE AN ASSESSMENT UNDER THIS SECTION DOES NOT PRECLUDE  
24 OR OTHERWISE PREJUDICE A SUBSEQUENT ACTION AGAINST ANY PARTIES  
25 TO A MATERIAL CHANGE TRANSACTION FOR VIOLATIONS OF STATE OR  
26 FEDERAL LAW.

27 **6-19-105. Post-change requirements - report.** (1) FOR AT LEAST



1 FIVE YEARS AFTER THE EFFECTIVE DATE OF A MATERIAL CHANGE  
2 TRANSACTION, THE PARTIES TO A MATERIAL CHANGE TRANSACTION  
3 SUBJECT TO SECTION 6-19-102 (2) OR (3) SHALL PROVIDE THE ATTORNEY  
4 GENERAL AN ANNUAL REPORT OF:

5 (a) THE ACTIVITIES TO SATISFY ANY CONDITIONS AGREED TO  
6 PURSUANT TO SECTION 6-19-104 (3);

7 (b) ANY ADDITIONAL MATERIAL CHANGE TRANSACTIONS  
8 INVOLVING THE PARTIES; AND

9 (c) IF THE MATERIAL CHANGE TRANSACTION RESULTS IN ASSETS  
10 THAT WERE FORMERLY USED FOR A CHARITABLE PURPOSE NO LONGER  
11 BEING USED FOR SUCH A PURPOSE, THE PARTIES' GRANT-MAKING AND  
12 OTHER CHARITABLE ACTIVITIES RELATED TO THE PARTIES' USE OF THE  
13 PROCEEDS OF THE MATERIAL CHANGE TRANSACTION.

14 (2) (a) THE ATTORNEY GENERAL SHALL MAKE THE ANNUAL  
15 REPORT CREATED PURSUANT TO SUBSECTION (1) OF THIS SECTION  
16 AVAILABLE TO THE PUBLIC ON THE ATTORNEY GENERAL'S WEBSITE.

17 (b) EACH PARTY TO THE MATERIAL CHANGE TRANSACTION SHALL  
18 MAKE THE ANNUAL REPORT CREATED PURSUANT TO SUBSECTION (1) OF  
19 THIS SECTION AVAILABLE TO THE PUBLIC ON THE PARTY'S WEBSITE.

20 (3) EACH PARTY TO A MATERIAL CHANGE TRANSACTION SHALL  
21 FILE THE ANNUAL REPORT CREATED PURSUANT TO SUBSECTION (1) OF THIS  
22 SECTION NO LATER THAN NINETY DAYS AFTER THE END OF THE YEAR THAT  
23 THE REPORT ADDRESSES.

24 **6-19-106. Penalties - remedy - injunction.** (1) A PERSON THAT  
25 FAILS TO COMPLY WITH THIS ARTICLE 19 IS SUBJECT TO A CIVIL PENALTY  
26 OF NOT MORE THAN TWO HUNDRED DOLLARS FOR EACH DAY THE PERSON  
27 REMAINS IN VIOLATION OF THIS ARTICLE 19.

1           (2) FAILURE OF A PARTY TO A MATERIAL CHANGE TRANSACTION TO  
2 PROVIDE NOTICE OF THE MATERIAL CHANGE TRANSACTION AS REQUIRED  
3 BY THIS ARTICLE 19 IS AN INDEPENDENT AND SUFFICIENT GROUND FOR THE  
4 ATTORNEY GENERAL TO ASSESS THAT THE MATERIAL CHANGE  
5 TRANSACTION IS LIKELY TO BE CONTRARY TO THE PUBLIC INTEREST OR FOR  
6 A COURT TO ENJOIN OR UNWIND THE MATERIAL CHANGE TRANSACTION OR  
7 PROVIDE OTHER EQUITABLE RELIEF.

8           (3) FAILURE OF A PARTY TO A MATERIAL CHANGE TRANSACTION TO  
9 PROVIDE TIMELY INFORMATION AS REQUIRED BY THE ATTORNEY GENERAL  
10 IS AN INDEPENDENT AND SUFFICIENT GROUND FOR THE ATTORNEY  
11 GENERAL TO ASSESS THAT THE MATERIAL CHANGE TRANSACTION IS LIKELY  
12 TO BE CONTRARY TO THE PUBLIC INTEREST, OR FOR A COURT TO ENJOIN OR  
13 UNWIND THE MATERIAL CHANGE TRANSACTION OR PROVIDE OTHER  
14 EQUITABLE RELIEF, IF THE ATTORNEY GENERAL NOTIFIED THE ENTITIES OF  
15 THE INADEQUACY OF THE INFORMATION PROVIDED AND PROVIDED THE  
16 ENTITIES WITH A REASONABLE OPPORTUNITY TO REMEDY THE  
17 INADEQUACY.

18           **6-19-107. Effect on existing authorities - rules.** (1) THE  
19 ATTORNEY GENERAL MAY ADOPT RULES FOR THE PURPOSE OF CARRYING  
20 OUT THIS ARTICLE 19, INCLUDING:

- 21           (a) RULES DEFINING THE TERMS USED IN THIS ARTICLE 19;  
22           (b) RULES EXEMPTING FROM THE REQUIREMENTS OF THIS ARTICLE  
23 19:  
24           (I) CLASSES OF PERSONS; AND  
25           (II) MATERIAL CHANGE TRANSACTIONS THAT ARE NOT LIKELY TO  
26 BE CONTRARY TO THE PUBLIC INTEREST;  
27           (c) RULES IDENTIFYING ADDITIONAL FACTORS TO THE FACTORS

1 DESCRIBED IN SECTION 6-19-104 (1) THAT MAY BE CONSIDERED IN  
2 ASSESSING WHETHER A MATERIAL CHANGE TRANSACTION IS IN THE PUBLIC  
3 INTEREST;

4 (d) RULES REQUIRING THAT PERSONS PROVIDE ADDITIONAL  
5 INFORMATION IN ORDER TO COMPLY WITH SECTION 6-19-102 OR  
6 PRESCRIBING THE FORM OF NOTICES SUBMITTED PURSUANT TO SECTION  
7 6-19-102; AND

8 (e) OTHER RULES AS MAY BE NECESSARY AND APPROPRIATE TO  
9 CARRY OUT THE PURPOSES OF THIS ARTICLE 19.

10 (2) (a) NOTHING IN THIS ARTICLE 19 LIMITS THE ATTORNEY  
11 GENERAL'S COMMON LAW POWERS.

12 (b) NOTHING IN THIS ARTICLE 19 AFFECTS THE REGULATORY  
13 AUTHORITY OF A GOVERNMENT AGENCY OTHER THAN THE DEPARTMENT  
14 OF LAW.

15 **SECTION 2.** In Colorado Revised Statutes, **add** 25-49-107 as  
16 follows:

17 **25-49-107. Providers - physicians - disclosure of certain**  
18 **referrals - definitions.** (1) AS USED IN THIS SECTION, UNLESS THE  
19 CONTEXT OTHERWISE REQUIRES:

20 (a) "DESIGNATED HEALTH SERVICES" HAS THE MEANING SET FORTH  
21 IN SECTION 25.5-4-414 (1)(a).

22 (b) "FINANCIAL RELATIONSHIP" MEANS AN OWNERSHIP OR  
23 INVESTMENT INTEREST IN AN ENTITY FURNISHING DESIGNATED HEALTH  
24 SERVICES. AN OWNERSHIP OR INVESTMENT INTEREST MAY BE REFLECTED  
25 IN EQUITY, DEBT, OR OTHER INSTRUMENTS.

26 (c) "IMMEDIATE FAMILY MEMBER OF THE PROVIDER" MEANS A  
27 SPOUSE, NATURAL OR ADOPTIVE PARENT, NATURAL OR ADOPTIVE CHILD,

1 STEPPARENT, STEPCHILD, STEPBROTHER, STEPSISTER, IN-LAW,  
2 GRANDPARENT, OR GRANDCHILD OF A PROVIDER.

3 (d) "PROVIDER" MEANS:

4 (I) A DOCTOR OF MEDICINE OR OSTEOPATHY WHO IS LICENSED TO  
5 PRACTICE MEDICINE PURSUANT TO ARTICLE 240 OF TITLE 12;

6 (II) A DOCTOR OF DENTAL SURGERY OR OF DENTAL MEDICINE WHO  
7 IS LICENSED TO PRACTICE DENTISTRY PURSUANT TO ARTICLE 220 OF TITLE  
8 12;

9 (III) A DOCTOR OF PODIATRIC MEDICINE WHO IS LICENSED TO  
10 PRACTICE PODIATRY PURSUANT TO ARTICLE 290 OF TITLE 12;

11 (IV) A DOCTOR OF OPTOMETRY WHO IS LICENSED TO PRACTICE  
12 OPTOMETRY PURSUANT TO ARTICLE 275 OF TITLE 12; OR

13 (V) A CHIROPRACTOR WHO IS LICENSED TO PRACTICE  
14 CHIROPRACTIC PURSUANT TO ARTICLE 215 OF TITLE 12.

15 (2) (a) IF A PROVIDER REFERS A PATIENT TO AN ENTITY FOR  
16 DESIGNATED HEALTH SERVICES AND THE PROVIDER, OR AN IMMEDIATE  
17 FAMILY MEMBER OF THE PROVIDER, HAS A FINANCIAL RELATIONSHIP WITH  
18 THE ENTITY, THE PROVIDER SHALL DISCLOSE THE NATURE OF THE  
19 FINANCIAL RELATIONSHIP TO THE PATIENT AT THE TIME OF THE REFERRAL.  
20 AT THE PATIENT'S REQUEST, THE PROVIDER SHALL PROVIDE THE PATIENT  
21 WITH REASONABLE ALTERNATIVE REFERRAL OPTIONS FOR ENTITIES WITH  
22 WHICH THE PROVIDER, OR AN IMMEDIATE FAMILY MEMBER OF THE  
23 PROVIDER, DOES NOT HAVE A FINANCIAL RELATIONSHIP.

24 (b) SUBSECTION (2)(a) OF THIS SECTION DOES NOT APPLY TO A  
25 FINANCIAL RELATIONSHIP THAT MEETS THE REQUIREMENTS OF AN  
26 EXCEPTION TO THE PROHIBITIONS ESTABLISHED BY 42 U.S.C. SEC. 1395nn  
27 OR REGULATIONS ADOPTED PURSUANT TO 42 U.S.C. SEC. 1395nn, AS THEY

1 EXISTED ON THE EFFECTIVE DATE OF THIS SECTION.

2 (c) SUBSECTION (2)(a) OF THIS SECTION DOES NOT APPLY TO A  
3 FINANCIAL RELATIONSHIP OR A REFERRAL FOR DESIGNATED HEALTH  
4 SERVICES IF THE FINANCIAL RELATIONSHIP OR REFERRAL FOR DESIGNATED  
5 HEALTH SERVICES WOULD NOT VIOLATE 42 U.S.C. SEC. 1395nn OR  
6 REGULATIONS ADOPTED PURSUANT TO 42 U.S.C. SEC. 1395nn, AS THEY  
7 EXISTED ON THE EFFECTIVE DATE OF THIS SECTION, IF THE DESIGNATED  
8 HEALTH SERVICES WERE ELIGIBLE FOR PAYMENT UNDER MEDICARE  
9 RATHER THAN UNDER THE "COLORADO MEDICAL ASSISTANCE ACT",  
10 ARTICLES 4 TO 6 OF TITLE 25.5.

11 (3) AN ENTITY THAT PROVIDES DESIGNATED HEALTH SERVICES AS  
12 A RESULT OF A REFERRAL WITHOUT INFORMING THE PATIENT OF THE  
13 REFERRING PROVIDER'S FINANCIAL INTEREST, OR AN IMMEDIATE FAMILY  
14 MEMBER OF THE REFERRING PROVIDER'S FINANCIAL INTEREST, IN THE  
15 ENTITY PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION SHALL NOT  
16 PRESENT A CLAIM OR BILL TO AN INDIVIDUAL, A THIRD-PARTY PAYER, THE  
17 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, OR ANY OTHER  
18 ENTITY FOR THE DESIGNATED HEALTH SERVICES.

19 (4) A PROVIDER THAT REFERS A PATIENT FOR DESIGNATED HEALTH  
20 SERVICES IN VIOLATION OF SUBSECTION (2)(a) OF THIS SECTION COMMITS  
21 A DECEPTIVE TRADE PRACTICE UNDER PART 1 OF THE "COLORADO  
22 CONSUMER PROTECTION ACT", ARTICLE 1 OF TITLE 6.

23 **SECTION 3.** In Colorado Revised Statutes, 6-1-105, **add** (1)(iiii)  
24 as follows:

25 **6-1-105. Unfair or deceptive trade practices - definitions.**

26 (1) A person engages in a deceptive trade practice when, in the course of  
27 the person's business, vocation, or occupation, the person:

1 (iii) VIOLATES ARTICLE 19 OF THIS TITLE 6.

2 **SECTION 4. Applicability.** Section 6-19-102, Colorado Revised  
3 Statutes, as enacted in section 1 of this act, applies to material change  
4 transactions with an anticipated effective date not sooner than ninety days  
5 after the effective date of this act.

6 **SECTION 5. Safety clause.** The general assembly finds,  
7 determines, and declares that this act is necessary for the immediate  
8 preservation of the public peace, health, or safety or for appropriations for  
9 the support and maintenance of the departments of the state and state  
10 institutions.