

CHAPTER 31

CONSUMER AND COMMERCIAL TRANSACTIONS

HOUSE BILL 05-1166

BY REPRESENTATIVE(S) Massey, Berens, Cloer, King, Penry, and Stafford;
also SENATOR(S) Kester, Entz, Isgar, Keller, Taylor, and Wiens.

AN ACT

CONCERNING MODIFICATIONS TO THE REQUIREMENT THAT A HEALTH CARE PROVIDER NOTIFY A PERSON OF AN OUTSTANDING DEBT PRIOR TO ENGAGING THE SERVICES OF A COLLECTION AGENCY TO COLLECT THE DEBT.

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

SECTION 1. 6-20-201, Colorado Revised Statutes, is amended to read:

6-20-201. Definitions. For the purposes of this part 2, unless the context otherwise requires:

(1) "COLLECTION ACTIVITY" MEANS ONLY THOSE ACTIVITIES PROVIDED OR PERFORMED BY A LICENSED COLLECTION AGENCY, USING A BUSINESS NAME OTHER THAN THE NAME OF THE HEALTH CARE PROVIDER, FOR PURPOSES OF COLLECTING A DEBT. THE TERM DOES NOT INCLUDE ANY STANDARD BILLING PROCEDURES USED BY THE HEALTH CARE PROVIDER OR ITS AGENT IN THE NORMAL COURSE OF BUSINESS ON CURRENT, NONDELINQUENT ACCOUNTS.

~~(1)~~ (2) "Collection agency" shall have the same meaning as in section 12-14-103 (2), C.R.S.

~~(2)~~ (3) "Health care provider" includes a ~~licensed~~ health care facility LICENSED pursuant to article 3 of title 25, C.R.S., and any other health care provider.

SECTION 2. 6-20-202 (1) and (2) (b), Colorado Revised Statutes, are amended, and the said 6-20-202 (2) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

6-20-202. Notice to patient of debt. (1) (a) When a person has health benefit

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

coverage to provide payment for care or treatment rendered by a health care provider and the person has notified the health care provider of coverage WITHIN THIRTY DAYS AFTER THE DATE THE CARE OR TREATMENT WAS RENDERED, and IF the health coverage plan, as defined in section 10-16-102 (22.5), C.R.S., pays only a portion of the debt, PRIOR TO THE ASSIGNMENT OF THE DEBT TO A LICENSED COLLECTION AGENCY the health care provider shall mail written notice to the last-known address of the person responsible for payment of the debt at least thirty days before any collection activity on any amount due and owing the health care provider.

(b) The notice required OF HEALTH CARE PROVIDERS by paragraph (a) of this subsection (1) shall include the amount due and owing; the name, address, and telephone number of the health care provider; where payment may be made; the date of service; and the last date OR NUMBER OF DAYS AFTER THE DATE OF THE NOTICE the health care provider will accept payment prior to the debt being submitted to a collection agency or reporting adverse information to a consumer reporting agency for the debt for which notice was provided.

(2) (b) Notwithstanding any provision of this section to the contrary, a health care provider may remedy a failure to give notice by providing a written report to the collection agency to withhold any collection ~~efforts~~ ACTIVITY and withholding any of the health care provider's own collection efforts until the provider complies with the notice and time requirements pursuant to subsection (1) of this section.

(d) THE FAILURE OF A HEALTH CARE PROVIDER OR ITS AGENT TO PROVIDE THE NOTICE REQUIRED BY SUBSECTION (1) OF THIS SECTION SHALL NOT CREATE A CAUSE OF ACTION OR REMEDY AGAINST A COLLECTION AGENCY UNDER THE "COLORADO FAIR DEBT COLLECTION PRACTICES ACT", ARTICLE 14 OF TITLE 12, C.R.S.

SECTION 3. Effective date - applicability. (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution (August 10, 2005, if adjournment sine die is on May 11, 2005); except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to amounts due and owing on or after the applicable effective date of this act.

Approved: April 5, 2005