

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

**INTRODUCED**

LLS NO. 23-0404.01 Brita Darling x2241

**HOUSE BILL 23-1215**

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**HOUSE SPONSORSHIP**

**Sirota and Boesenecker,**

**SENATE SPONSORSHIP**

**Mullica and Cutter,**

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**House Committees**  
Health & Insurance

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING LIMITATIONS ON HOSPITAL FACILITY FEES.**

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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 defines "health-care provider" as a person that is licensed or otherwise authorized in this state to furnish a health-care service, which includes a hospital and other providers and health facilities.

The bill prohibits a health-care provider (provider) affiliated with or owned by a hospital or health system from charging a facility fee for health-care services furnished by the provider for:

- Outpatient services provided at an off-campus location or through telehealth; or

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.

- Certain outpatient, diagnostic, or imaging services identified by the medical services board as services that may be provided safely, reliably, and effectively in nonhospital settings.

The bill:

- Requires a provider that charges a facility fee to provide notice to a patient that the provider charges the fee and to use a standardized bill that includes itemized charges identifying the facility fee, as well as other information;
- Requires the administrator of the all-payer health claims database to prepare an annual report of the number and amount of facility fees by payer, codes with the highest total paid amounts and highest volume, and other information; and
- Makes it a deceptive trade practice to charge, bill, or collect a facility fee when doing so is prohibited.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 6-20-102 as  
3 follows:

4 **6-20-102. Limits on facility fees - rules - definitions.**

5 (1) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT  
6 OTHERWISE REQUIRES:

7 (a) "AFFILIATED WITH" MEANS:

8 (I) EMPLOYED BY A HOSPITAL OR HEALTH SYSTEM; OR

9 (II) UNDER A PROFESSIONAL SERVICES AGREEMENT, FACULTY  
10 AGREEMENT, OR MANAGEMENT AGREEMENT WITH A HOSPITAL OR HEALTH  
11 SYSTEM THAT PERMITS THE HOSPITAL OR HEALTH SYSTEM TO BILL ON  
12 BEHALF OF THE AFFILIATED ENTITY.

13 (b) "CAMPUS" MEANS:

14 (I) A HOSPITAL'S MAIN BUILDINGS;

15 (II) THE PHYSICAL AREA IMMEDIATELY ADJACENT TO A HOSPITAL'S  
16 MAIN BUILDINGS AND STRUCTURES OWNED BY THE HOSPITAL THAT ARE

1 NOT STRICTLY CONTIGUOUS TO THE MAIN BUILDINGS BUT ARE LOCATED  
2 WITHIN TWO HUNDRED FIFTY YARDS OF THE MAIN BUILDINGS; OR

3 (III) ANY OTHER AREA THAT THE FEDERAL CENTERS FOR  
4 MEDICARE AND MEDICAID SERVICES IN THE UNITED STATES DEPARTMENT  
5 OF HEALTH AND HUMAN SERVICES HAS DETERMINED, ON AN  
6 INDIVIDUAL-CASE BASIS, TO BE PART OF A HOSPITAL'S CAMPUS.

7 (c) "FACILITY FEE" MEANS ANY FEE A HOSPITAL OR HEALTH  
8 SYSTEM CHARGES OR BILLS FOR OUTPATIENT HOSPITAL SERVICES  
9 PROVIDED IN A HOSPITAL-BASED FACILITY THAT IS:

10 (I) INTENDED TO COMPENSATE THE HOSPITAL OR HEALTH SYSTEM  
11 FOR ITS OPERATIONAL EXPENSES; AND

12 (II) SEPARATE AND DISTINCT FROM A PROFESSIONAL FEE CHARGED  
13 OR BILLED BY A HEALTH-CARE PROVIDER FOR PROFESSIONAL MEDICAL  
14 SERVICES PROVIDED IN A HOSPITAL-BASED FACILITY.

15 (d) "FREESTANDING EMERGENCY DEPARTMENT" MEANS A HEALTH  
16 FACILITY AS DEFINED IN AND REQUIRED TO BE LICENSED UNDER SECTION  
17 25-1.5-114.

18 (e) "HEALTH-CARE PROVIDER" MEANS ANY PERSON, INCLUDING A  
19 HEALTH FACILITY, THAT IS LICENSED OR OTHERWISE AUTHORIZED IN THIS  
20 STATE TO FURNISH A HEALTH-CARE SERVICE.

21 (f) "HEALTH-CARE SERVICE" HAS THE MEANING SET FORTH IN  
22 SECTION 10-16-102 (33).

23 (g) "HEALTH FACILITY" MEANS A FACILITY LICENSED OR CERTIFIED  
24 PURSUANT TO SECTION 25-1.5-103 OR ESTABLISHED PURSUANT TO PART  
25 5 OF ARTICLE 21 OF TITLE 23 OR ARTICLE 29 OF TITLE 25.

26 (h) "HEALTH SYSTEM" HAS THE MEANING SET FORTH IN SECTION  
27 10-16-1303 (9).

1 (i) "HOSPITAL" MEANS A HOSPITAL CURRENTLY LICENSED OR  
2 CERTIFIED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT  
3 PURSUANT TO THE DEPARTMENT'S AUTHORITY UNDER SECTION 25-1.5-103  
4 (1)(a) OR ESTABLISHED PURSUANT TO PART 5 OF ARTICLE 21 OF TITLE 23  
5 OR ARTICLE 29 OF TITLE 25.

6 (j) "HOSPITAL-BASED HEALTH FACILITY" MEANS A HEALTH  
7 FACILITY BASED IN A HOSPITAL.

8 (k) "MEDICAL SERVICES BOARD" MEANS THE MEDICAL SERVICES  
9 BOARD CREATED IN SECTION 25.5-1-301.

10 (l) "MEDICARE" MEANS THE "HEALTH INSURANCE FOR THE AGED  
11 ACT", TITLE XVIII OF THE FEDERAL "SOCIAL SECURITY ACT", AS  
12 AMENDED BY THE SOCIAL SECURITY AMENDMENTS OF 1965, AND AS LATER  
13 AMENDED.

14 (m) "OFF-CAMPUS LOCATION" HAS THE MEANING SET FORTH IN  
15 SECTION 25-3-118.

16 (n) "OWNED BY" MEANS OWNED BY A HOSPITAL OR HEALTH  
17 SYSTEM WHEN BILLED UNDER THE HOSPITAL'S TAX IDENTIFICATION  
18 NUMBER.

19 (o) "PAYERTYPE" MEANS COMMERCIAL INSURERS; MEDICARE; THE  
20 MEDICAL ASSISTANCE PROGRAM ESTABLISHED PURSUANT TO ARTICLES 4  
21 TO 6 OF TITLE 25.5; INDIVIDUALS WHO SELF-PAY; A FINANCIAL ASSISTANCE  
22 PLAN; OR THE "COLORADO INDIGENT CARE PROGRAM", ESTABLISHED IN  
23 PART 1 OF ARTICLE 3 OF TITLE 25.5.

24 (p) "TELEHEALTH" HAS THE MEANING SET FORTH IN SECTION  
25 10-16-123 (4)(e).

26 (2) **Site-specific limits.** (a) ON AND AFTER JANUARY 1, 2024, A  
27 HEALTH-CARE PROVIDER AFFILIATED WITH OR OWNED BY A HOSPITAL OR

1 HEALTH SYSTEM SHALL NOT CHARGE, BILL, OR COLLECT A FACILITY FEE  
2 FOR HEALTH-CARE SERVICES PROVIDED AT AN OFF-CAMPUS LOCATION OR  
3 PROVIDED THROUGH TELEHEALTH, REGARDLESS OF PAYER TYPE.

4 (b) EXCEPT AS PROVIDED IN SUBSECTION (3) OF THIS SECTION, THIS  
5 SUBSECTION (2) DOES NOT PROHIBIT A HEALTH-CARE PROVIDER FROM  
6 CHARGING A FACILITY FEE FOR:

7 (I) HEALTH-CARE SERVICES PROVIDED ON A HOSPITAL'S MAIN  
8 CAMPUS;

9 (II) HEALTH-CARE SERVICES PROVIDED AT A HEALTH FACILITY  
10 THAT INCLUDES A LICENSED HOSPITAL EMERGENCY DEPARTMENT; OR

11 (III) EMERGENCY SERVICES PROVIDED AT A LICENSED  
12 FREESTANDING EMERGENCY DEPARTMENT.

13 (3) (a) **Service-specific limits.** ON AND AFTER JULY 1, 2024, A  
14 HEALTH-CARE PROVIDER AFFILIATED WITH OR OWNED BY A HOSPITAL OR  
15 HEALTH SYSTEM SHALL NOT CHARGE, BILL, OR COLLECT A FACILITY FEE  
16 FOR OUTPATIENT, DIAGNOSTIC, OR IMAGING SERVICES THAT ARE  
17 IDENTIFIED BY THE MEDICAL SERVICES BOARD BY RULE PURSUANT TO  
18 SUBSECTION (3)(b) OF THIS SECTION.

19 (b) **Identification of services.** NOT LATER THAN MARCH 31, 2024,  
20 AND NOT MORE THAN ONCE EVERY THREE YEARS THEREAFTER, THE  
21 MEDICAL SERVICES BOARD SHALL ADOPT RULES IDENTIFYING  
22 HEALTH-CARE SERVICES, AND THE ASSOCIATED SERVICE CODES FOR THE  
23 HEALTH-CARE SERVICES, THAT MAY BE PROVIDED SAFELY, RELIABLY, AND  
24 EFFECTIVELY IN SETTINGS OTHER THAN A HOSPITAL-BASED HEALTH  
25 FACILITY AND THAT ARE SUBJECT TO THE SERVICE-SPECIFIC FACILITY FEE  
26 LIMITATION SET FORTH IN SUBSECTION (3)(a) OF THIS SECTION. THE  
27 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING SHALL POST THE

1 HEALTH-CARE SERVICES AND ASSOCIATED SERVICE CODES IDENTIFIED IN  
2 THE MEDICAL SERVICES BOARD RULES ON ITS PUBLIC-FACING WEBSITE.

3 (4) **Transparency.** (a) ON AND AFTER JULY 1, 2024, A  
4 HEALTH-CARE PROVIDER AFFILIATED WITH OR OWNED BY A HOSPITAL OR  
5 HEALTH SYSTEM THAT CHARGES A FACILITY FEE SHALL:

6 (I) (A) PROVIDE NOTICE IN PLAIN LANGUAGE TO PATIENTS THAT A  
7 FACILITY FEE MAY BE CHARGED, INDICATE IN THE NOTICE THE AMOUNT OF  
8 THE FACILITY FEE, AND, TO THE EXTENT PRACTICABLE, PROVIDE THE  
9 NOTICE TO A PATIENT AT THE TIME AN APPOINTMENT IS SCHEDULED; AND

10 (B) POST A SIGN, IN ENGLISH AND SPANISH AND THAT IS PLAINLY  
11 VISIBLE AND LOCATED IN THE AREA WITHIN THE HEALTH FACILITY WHERE  
12 AN INDIVIDUAL SEEKING CARE REGISTERS OR CHECKS IN, THAT STATES  
13 THAT THE PATIENT MAY BE CHARGED A FACILITY FEE IN ADDITION TO THE  
14 COST OF THE HEALTH-CARE SERVICE. THE SIGN MUST ALSO INCLUDE A  
15 LOCATION WITHIN THE HEALTH FACILITY WHERE A PATIENT MAY INQUIRE  
16 ABOUT FACILITY FEES AND AN ONLINE LOCATION WHERE INFORMATION  
17 ABOUT FACILITY FEES MAY BE FOUND.

18 (II) PROVIDE TO A PATIENT A STANDARDIZED BILL THAT:

19 (A) INCLUDES ITEMIZED CHARGES FOR EACH HEALTH-CARE  
20 SERVICE;

21 (B) SPECIFICALLY IDENTIFIES ANY FACILITY FEE;

22 (C) IDENTIFIES SPECIFIC CHARGES THAT HAVE BEEN BILLED TO  
23 INSURANCE OR OTHER PAYER TYPES FOR HEALTH-CARE SERVICES; AND

24 (D) INCLUDES CONTACT INFORMATION FOR FILING AN APPEAL TO  
25 CONTEST CHARGES.

26 (b) THE HEALTH-CARE PROVIDER SHALL PROVIDE THE REQUIRED  
27 NOTICE AND STANDARDIZED BILL IN A CLEAR MANNER AND, TO THE

1 EXTENT PRACTICABLE, IN THE PATIENT'S PREFERRED LANGUAGE.

2 **SECTION 2.** In Colorado Revised Statutes, 25.5-1-204, **add**  
3 (3)(d) as follows:

4 **25.5-1-204. Advisory committee to oversee the all-payer health**  
5 **claims database - creation - members - duties - legislative declaration**  
6 **- rules - report - definitions.** (3) (d) (I) BEGINNING IN THE 2024-25  
7 STATE FISCAL YEAR, AND ANNUALLY THEREAFTER, SUBJECT TO AVAILABLE  
8 APPROPRIATIONS AND AVAILABILITY OF DATA AT THE TIME OF REPORTING,  
9 THE ADMINISTRATOR SHALL PROVIDE A REPORT THAT AGGREGATES THE  
10 FOLLOWING DATA FROM THE COLORADO ALL-PAYER HEALTH CLAIMS  
11 DATABASE AND OTHER SOURCES FOR ALL PAYERS THAT REIMBURSE  
12 FACILITY FEES:

13 (A) THE NUMBER OF PATIENT VISITS FOR WHICH FACILITY FEES  
14 WERE CHARGED;

15 (B) THE TOTAL ALLOWED AMOUNTS COLLECTED IN FACILITY FEES;

16 (C) THE TOP TEN MOST FREQUENT CPT CODES AND THE TOP TEN  
17 CPT CODES WITH THE HIGHEST TOTAL ALLOWED AMOUNTS FROM FACILITY  
18 FEES; AND

19 (D) MEDIAN ALLOWED AMOUNTS, TWENTY-FIFTH AND  
20 SEVENTY-FIFTH PERCENTILE ALLOWED AMOUNTS, AND THE PERCENTAGE  
21 OF CLAIMS AND VOLUME OF CLAIMS WITH NO ALLOWED AMOUNTS.

22 (II) TO FACILITATE REPORTING PURSUANT TO THIS SUBSECTION  
23 (3)(d), THE ADMINISTRATOR SHALL:

24 (A) IDENTIFY PAYER DATA SOURCES THAT ARE AFFILIATED WITH  
25 OR OWNED BY A HOSPITAL; AND

26 (B) IDENTIFY FACILITY FEES BY LOCATION, OR, IF NOT  
27 PRACTICABLE, BY FACILITY TYPE INDICATED ON THE PROFESSIONAL FEE

1       OUTPATIENT CLAIM.

2               (III) AS USED IN THIS SUBSECTION (3)(d), UNLESS THE CONTEXT  
3       OTHERWISE REQUIRES:

4               (A) "AFFILIATED WITH" HAS THE MEANING SET FORTH IN SECTION  
5       6-20-102 (1)(a).

6               (B) "CPT CODE" HAS THE MEANING SET FORTH IN SECTION  
7       25.5-1-204.7 (1)(d).

8               (C) "FACILITY FEE" HAS THE MEANING SET FORTH IN SECTION  
9       6-20-102 (1)(c).

10              (D) "HOSPITAL" HAS THE MEANING SET FORTH IN SECTION  
11       6-20-102 (1)(i).

12              (E) "OWNED BY" HAS THE MEANING SET FORTH IN SECTION  
13       6-20-102 (1)(n).

14              **SECTION 3.** In Colorado Revised Statutes, 6-1-105, **add**  
15       (1)(uuu) as follows:

16              **6-1-105. Unfair or deceptive trade practices.** (1) A person  
17       engages in a deceptive trade practice when, in the course of the person's  
18       business, vocation, or occupation, the person:

19              (uuu) CHARGES, BILLS, OR COLLECTS A FACILITY FEE OR FAILS TO  
20       COMPLY WITH OTHER PROVISIONS RELATING TO FACILITY FEES IN  
21       VIOLATION OF SECTION 6-20-102 (2), (3), OR (4).

22              **SECTION 4. Safety clause.** The general assembly hereby finds,  
23       determines, and declares that this act is necessary for the immediate  
24       preservation of the public peace, health, or safety.