



February 16, 2023

COLORADO PROPOSES BROAD REFORM OF STATE'S MEDICAL DEBT LAWS

The Colorado Senate Health and Human Services Committee will consider Senate Bill 93, a new bill targeted at "medical debt." S.B. 93 would define "medical debt" as "debt, other than a health-care loan, arising directly from the receipt of health-care services or of medical products or devices." S.B. 93 would limit the interest rate on medical debt, impose certain requirements on repayment plans and make violations of Colorado's billing laws a deceptive trade practice.

The interest rate on medical debt would be capped at 3% per annum. However, S.B. 93 would do so by amending Colorado's general interest statute, so S.B. 93 may not affect loans made under other statutes or by out-of-state lenders.

S.B. 93 would impose certain requirements on medical debt repayment plans, including:

- Providing a written copy of the plan within 7 days of entering into the plan;
- Prominently disclosing the rate of interest and the date on which the account will be paid in full if payments are made according to the schedule;
- Requiring renegotiation of the terms of a payment plan prior to acceleration or declaring the plan non-operative;
- Limiting acceleration or declaring the repayment plan non-operative unless (i) consumer has failed to pay for three consecutive months, (ii) the medical creditor or collector made at least 3 reasonable attempts to contact the consumer by telephone or other method preferred by the consumer, and (iii) provided written notice that the plan may be accelerated or declared non-operative and inform the consumer of the right to renegotiate the plan; and
- Restricting reporting adverse information to a consumer reporting agency about the consumer or person responsible for nonpayment or sue that person until at least 63 days after acceleration or declaring the plan non-operative.

The bill would make it a deceptive trade practice to violate Colorado's statutes on billing practices, surprise billing, and balance billing whether for in or out-of-network care.

S.B. 93 is scheduled for its first hearing before the Health and Human Services Committee on Thursday, February 23. If you are interested in participating or you would like to submit written comments in advance of the hearing, please let us know. ☐

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