

## Colorado Senate Bill 24-116 Overview of HDC and Preparation for Next Reporting Period

Colorado Senate Bill 24-116 (SB24-116) expands the Hospital Discounted Care (HDC) program, placing direct compliance, reporting and billing responsibilities on facility-based physicians, including pathology and radiology groups. Independent physician groups must now manage data reporting, adhere to billing limitations, and coordinate closely with hospitals. This white paper outlines key provisions and actionable revenue cycle strategies.

Signed into law on May 31, 2024, SB24-116 enhances Colorado's Hospital Discounted Care program. Historically, hospitals served as the primary administrators of discounted care obligations. SB24-116 applies to licensed healthcare professionals providing services in hospital-based settings, including general hospitals, outpatient departments, and freestanding emergency departments. Applicability is determined by site of service, regardless of employment model or billing structure. All licensed health care professionals who provide services at a hospital are subject to the Hospital Discounted Care law, regardless of whether they are directly employed by the hospital or contracted with them to perform services at their facility. See Colorado HDC [fact sheet](#) and [FAQ](#) or the Hospital Discounted Care Provider [home page](#) for more information.

Under SB24-116, independent physician groups are now accountable for:

- Annual data reporting to the state
- Adhering to strict billing and collection limitations
- Coordinating closely with hospital eligibility determinations

With the implementation of Senate Bill 24-116, licensed health care professionals who provide care to HDC approved patients in a qualifying health care facility are now also required to report their data separately from the health care facilities. If you are a contracted provider at a facility, you may want to confirm with the facility if they will include your data in their report. Data reporting for HDC is due annually to the Department of Health Care Policy and Financing (HCPF) by September 1<sup>st</sup> covering the previous State Fiscal Year. Data due on September 1, 2026 will include July 1, 2025 to June 30, 2026.

The screening and application for Hospital Discounted Care is done by the hospitals to determine eligibility and the income amount of patients for billing purposes. Hospitals will then notify health care professionals if patients they provide care to (at the hospital) are approved for Hospital Discounted Care. For pathology and radiology practices, where services are frequently hospital-based but billed separately, this introduces new revenue cycle complexity, compliance risk, and workflow dependencies.



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### **Key Policy Changes**

- Mandatory independent data reporting to HCPF (annual deadline September 1<sup>st</sup>)
- Payment plan caps (2% professional, 4% facility, 6% combined)
- Payment plan duration capped at 36 months, with remaining balances forgiven
- Rate limits = 100% of Medicare or Medicaid (whichever is higher)
- Collection restrictions until screening confirmed
- Medicaid presumptive eligibility expansion
- Colorado residency requirement

### **Operational Impacts**

Pathology and radiology groups face increased administrative burden, delayed billing cycles, reduced patient collections and dependency on hospital communication workflows. HDC applies only to hospital-based services. Billing is delayed until hospital screening is completed or declined (up to 45 days). This creates dependency on hospital communication and risks delays, compliance issues and reduced patient collections.

### **Revenue Cycle Recommendations**

- Implement HDC-specific billing workflows with billing holds
- Establish formal hospital communication protocols
- Enhance data capture and reporting
- Automate payment plan compliance
- Strengthen pre-collection validation and compliance checkpoints
- Update financial forecasting models

SB24-116 represents a material shift in financial responsibility, compliance accountability and operational complexity for pathology and radiology groups in Colorado. While the law aims to improve patient affordability and transparency, it introduces new administrative burdens, revenue compression risks and dependencies on hospital processes. Groups that proactively align their revenue cycle operations, data infrastructure and hospital partnerships will be best positioned to maintain compliance and protect revenue integrity while delivering a seamless patient financial experience.

It is imperative that pathology and radiology leaders engage their revenue cycle teams, assess hospital communication workflows and identify gaps in compliance readiness. Organizations that treat SB24-116 as a strategic RCM transformation opportunity rather than a regulatory burden will gain a measurable advantage in both compliance and financial performance.

APS will continue to support practices with data requirements and will continue to monitor. If you have any questions, please contact your Practice Manager.