LEGAL UPDATES

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Colorado Revises Healthcare Regulations for Changes in Ownership, Surprise Billing Disclosures

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The Colorado Department of Public Health and Environment (CDPHE), which oversees the licensure of health facilities in Colorado, has adopted revised rules related to healthcare facility changes of ownership (CHOWs) and surprise billing requirements. The new rules, which will go into effect on September 15, 2025, impact the timeline for notifying CDPHE of CHOWs and bring the state's surprise billing rules in line with the federal No Surprises Act.

Changes of ownership

Under the new rules, all healthcare facilities must notify the state and submit a CHOW application 60 days prior to the CHOW. Healthcare facilities include hospitals, nursing care facilities, assisted living residences, ambulatory surgery centers, hospices, and home care agencies, among other types.

Previously, CDPHE had required either 30 or 90 days prior notice of a facility change of ownership, depending on the type of facility. Therefore, the new rule will have a significant impact on the following facility types, which were previously subject to the 30-day timeframe and now will need to submit notice 60 days in advance:

Assisted living residences;

Home care agencies;

Facilities for persons with developmental disabilities;

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Outpatient mental healthcare facilities, including but not limited to a community mental health center or clinic; and

Any extended care facilities or hospices with 16 or fewer inpatient beds, including, but not limited to, nursing homes or rehabilitation facilities.

Surprise billing rules

Colorado law, like the federal No Surprises Act, sets limits on when a healthcare provider can bill a patient for covered emergency services rendered by an out-of-network provider or covered services rendered by an out-of-network provider at an in-network facility. Requesting payment for these services is commonly called "surprise billing." Colorado law previously required that in certain circumstances, healthcare facilities needed to provide patients with a Colorado-specific disclosure explaining when surprise billing is prohibited. This state law increased the burden on providers that also needed to provide a federally compliant disclosure.

Under the new rules, facilities no longer need to issue a Colorado-specific disclosure. Rather, facilities can now use forms that comply with the federal No Surprises Act, as long as those forms include the following Colorado-specific sentence: "Receipt of the disclosure does not waive Colorado consumer protections under Sections 10-16-704(3) or (5.5), C.R.S., or the consumer's rights to benefits under the consumer's health benefit plan at the in-network benefit level for all covered services and treatment received." Additionally, Colorado has aligned its rules with the federal requirements for when these disclosures are required.

Additionally, the new rule clarifies that the Colorado surprise billing rules apply only to hospitals, critical access hospitals, hospital outpatient departments, ambulatory surgery centers, and any other facilities licensed to provide emergency services, including both freestanding emergency departments and community clinics with emergency centers. However, facilities should be aware that the federal No Surprises Act does not have a similar limitation.

What this means to you

Colorado health facilities considering a CHOW should be aware of new timelines for notifying the state of the CHOW. Additionally, Colorado health facilities should review their surprise billing disclosures to ensure compliance with federal and state law.

Contact us

For more information on health facility CHOWs or surprise billing requirements, please contact Ragini Acharya, Claire Postman, or your Husch Blackwell attorney.

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