

Substitute Senate Bill No. 395

Public Act No. 24-6

AN ACT CONCERNING THE REPORTING OF MEDICAL DEBT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective July 1, 2024*) (a) As used in this section:

(1) "Collection entity" means any individual, partnership, corporation, trust, estate, cooperative, association, government or government subdivision, agency or other entity that either purchases medical debt or collects medical debt on behalf of another entity;

(2) "Credit rating agency" and "credit report" have the same meanings as provided in section 36a-695 of the general statutes;

(3) "Health care goods" means goods, including, but not limited to, products, devices, durable medical equipment and prescription drugs;

(4) "Health care provider" has the same meaning as provided in section 19a-17b of the general statutes;

(5) "Health care services" has the same meaning as provided in section 38a-478 of the general statutes; and

(6) "Medical debt" means an obligation or alleged obligation of a consumer to pay any amount related to the receipt by the consumer of

health care goods or health care services. "Medical debt" does not include debt charged to a credit card unless the credit card is issued under an open-end or closed-end credit plan offered specifically for the payment of charges related to health care goods or health care services.

(b) On and after July 1, 2024, any health care provider or any collection entity doing business in this state shall not report any portion of a medical debt to a credit rating agency for use in a credit report. A health care provider doing business in this state shall include in any contract entered into with a collection entity on and after July 1, 2024, for the purchase or collection of medical debt a provision that prohibits the reporting of any portion of such medical debt to a credit rating agency.

(c) Any portion of a medical debt that is reported to a credit rating agency shall be void.

Sec. 2. Subsection (c) of section 19a-673b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

(c) **[**On or after October 1, 2022, no**]** No hospital or entity that is owned by or affiliated with such hospital, as defined in section 19a-490, and no collection agent, as defined in section 19a-509b, that receives a referral from a hospital or entity that is owned by or affiliated with such hospital, shall:

(1) **[**Report**]** On and after July 1, 2024, report an individual patient to a credit rating agency, as defined in section 36a-695; **[**, for a period of one year beginning on the date that such patient first receives a bill for health care provided by the hospital or entity that is owned by or affiliated with such hospital to such patient on or after October 1, 2022;**]**

(2) **[**Initiate**]** On or after October 1, 2022, initiate an action to foreclose a lien on an individual patient's primary residence if the lien was filed

to secure payment for health care provided by the hospital or entity that is owned by or affiliated with such hospital to such patient on or after October 1, 2022; or

(3) **[**Apply**]** On or after October 1, 2022, apply to a court for an execution against an individual patient's wages pursuant to section 52-361a, or otherwise seek to garnish such patient's wages, to collect payment for health care provided by the hospital or entity that is owned by or affiliated with such hospital to such patient on or after October 1, 2022, if such patient is eligible for the hospital bed fund.

Approved May 9, 2024