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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL**

No. **870** Session of  
2023

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INTRODUCED BY HUGHES, FONTANA, DILLON, HAYWOOD, MILLER, FLYNN,  
CAPPELLETTI, COLLETT, BREWSTER, COSTA, KANE AND SCHWANK,  
AUGUST 1, 2023

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REFERRED TO HEALTH AND HUMAN SERVICES, AUGUST 1, 2023

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AN ACT

1 Providing for medical debt collection protection; and imposing  
2 duties on the Department of Health.

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5 The General Assembly of the Commonwealth of Pennsylvania  
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Medical Debt  
9 Collection Protection Act.

10 Section 2. Definitions.

11 The following words and phrases when used in this act shall  
12 have the meanings given to them in this section unless the  
13 context clearly indicates otherwise:

14 "CHIP." The children's health care program under Article  
15 XXIII-A of the act of May 17, 1921 (P.L.682, No.284), known as  
16 The Insurance Company Law of 1921.

17 "Collection action." Any of the following:

18 (1) Selling a person's medical debt to another party,  
19 including a medical debt collector.

20 (2) Reporting adverse information about a patient to a  
21 consumer reporting agency.

22 (3) An action that requires a legal or judicial process,  
23 including any of the following:

24 (i) Placing a lien on a person's property.

25 (ii) Attaching or seizing a person's bank account or  
26 other personal property.

27 (iii) Commencing a civil action against a person.

28 (iv) Garnishing a person's wages.

29 "Consumer." A natural person.

30 "Consumer reporting agency." A person that, for monetary

1 fees or dues or on a cooperative nonprofit basis, regularly  
2 engages in whole or in part in the practice of assembling or  
3 evaluating consumer credit information or other information on  
4 consumers for the purpose of furnishing consumer reports to  
5 third parties.

6 "Department." The Department of Health of the Commonwealth.

7 "Emergency or medically necessary care." As follows:

8 (1) Health care services that are provided on an  
9 emergency basis or are otherwise determined to be appropriate  
10 for a patient's condition based on current standards of  
11 acceptable medical practice.

12 (2) The term may exclude care or services that are  
13 primarily for the convenience of the patient or the patient's  
14 health care provider.

15 "Government program." Any of the following:

16 (1) Medical assistance.

17 (2) CHIP.

18 "Gross charges." The full, established price for health care  
19 services that a health care provider charges uninsured patients  
20 before applying any contractual allowances, discounts or  
21 deductions.

22 "Health care provider." Either of the following:

23 (1) A health care professional registered, certified or  
24 licensed to practice within this Commonwealth.

25 (2) A health care facility licensed under Chapter 8 of  
26 the act of July 19, 1979 (P.L.130, No.48), known as the  
27 Health Care Facilities Act.

28 "Health care services." Services for the diagnosis,  
29 prevention, treatment, cure or relief of a physical, behavioral  
30 or mental health condition, substance use disorder, illness,

1 injury or disease, which services include procedures, products,  
2 devices or medications.

3 "Health insurance decision." A decision by an insurer  
4 regarding a claim for health care services.

5 "Household income." Income calculated by using the methods  
6 used to calculate income for purposes of determining eligibility  
7 for medical assistance.

8 "Indigent patient." As follows:

9 (1) A patient with a household income that does not  
10 exceed 200% of the Federal poverty level.

11 (2) The term does not include a patient who is  
12 experiencing a temporary reduction in income below 200% of  
13 the Federal poverty level by reason of a qualifying personal  
14 event.

15 "Judicial officer." As defined in 42 Pa.C.S. § 102 (relating  
16 to definitions).

17 "Medical assistance." The Commonwealth's medical assistance  
18 program established under the act of June 13, 1967 (P.L.31,  
19 No.21), known as the Human Services Code.

20 "Medical debt." A debt arising from the receipt of health  
21 care services.

22 "Medical debt collector." Either of the following:

23 (1) A person engaged in the business of collecting or  
24 attempting to collect, directly or indirectly, medical debts  
25 originally owed or due or asserted to be owed or due to  
26 another person.

27 (2) A person who purchases a medical debt for collection  
28 purposes, whether the person collects the debt itself or  
29 hires a third party for collection or an attorney for  
30 litigation to collect the debt.

1 "Patient." As follows:

2 (1) A person who received health care services.

3 (2) The term includes the following:

4 (i) A parent or legal guardian of a person who  
5 received health care services and is under 18 years of  
6 age.

7 (ii) A guardian under 20 Pa.C.S. Ch. 55 (relating to  
8 incapacitated persons) of an incapacitated person who  
9 received health care services.

10 "Qualified patient." As follows:

11 (1) A patient with a household income that does not  
12 exceed 250% of the Federal poverty level.

13 (2) The term does not include a patient who is  
14 experiencing a temporary reduction in income below 250% of  
15 the Federal poverty level by reason of a qualifying personal  
16 event.

17 "Qualifying personal event." A temporary reduction in income  
18 by reason of an unforeseen, unintended or unavoidable change in  
19 financial circumstances, as determined by the department through  
20 regulation.

21 "Secretary." The Secretary of Health of the Commonwealth.  
22 Section 3. Screening for insurance, program eligibility and  
23 patient status.

24 In addition to any other actions required by applicable  
25 Federal or State law or local government ordinance, a health  
26 care provider shall take the following steps before seeking  
27 payment for emergency or medically necessary care from a  
28 patient:

29 (1) Verify whether the patient has health insurance.

30 (2) If the patient is uninsured, offer information about

1 and screen the patient for:

2 (i) All available public and private insurance.

3 (ii) Any other public programs that may assist with  
4 health care costs.

5 (iii) Any financial assistance offered by the health  
6 care provider.

7 (iv) The patient's status as an indigent patient or  
8 a qualified patient.

9 (3) If requested, provide assistance with the  
10 application process for programs identified during screening.

11 Section 4. Protections.

12 (a) Indigent patients.--

13 (1) For a patient who is determined to be an indigent  
14 patient, charges for health care services and medical debt  
15 shall not be pursued through a collection action.

16 (2) A health care provider or medical debt collector may  
17 not hire or otherwise engage a third party to perform a  
18 collection action against or otherwise recover medical debt  
19 from an indigent patient.

20 (3) No later than one year following the initiation of a  
21 collection action, a patient may petition the party who  
22 initiated the collection action to review or re-review the  
23 patient's status as an indigent patient.

24 (4) Upon receipt of reasonable evidence that a patient  
25 is an indigent patient, the party who initiated the  
26 collection action shall immediately terminate all ongoing  
27 collection actions against the patient and shall provide  
28 notice of the termination to the patient within 10 days.

29 (b) Qualifying personal event.--

30 (1) A patient may petition a health care provider or

1 medical debt collector for a temporary cessation of a  
2 collection action during the period of a qualifying personal  
3 event.

4 (2) Upon receipt of reasonable evidence of a qualifying  
5 personal event from a patient, a health care provider or  
6 medical debt collector shall grant a temporary cessation of a  
7 collection action against the patient for the duration of the  
8 qualifying personal event.

9 (3) The temporary cessation of a collection action shall  
10 be subject to redetermination every three months.

11 (4) If a patient provides reasonable evidence that the  
12 qualifying personal event is ongoing, a health care provider  
13 or medical debt collector shall grant one or more extensions  
14 for the duration of the qualifying personal event.

15 (c) Settlement offer.--Prior to engaging in a collection  
16 action with respect to a medical debt of a patient, a health  
17 care provider or medical debt collector shall make a good faith  
18 effort to settle the medical debt with the patient. The  
19 following apply:

20 (1) The patient shall have no fewer than 30 calendar  
21 days to consider a settlement offer under this subsection.

22 (2) In making a good faith settlement offer, the health  
23 care provider or medical debt collector shall consider the  
24 following:

25 (i) The amount of the medical debt in relation to  
26 the patient's household income.

27 (ii) Whether a payment plan, a reasonable reduction  
28 in the principal amount of the medical debt or interest  
29 rate charged on the medical debt or other reasonable  
30 compromise would allow recovery of a substantial portion

1 of the medical debt from the patient within a reasonable  
2 time frame.

3 (iii) Whether the costs associated with a collection  
4 action would be unfavorable in comparison to collecting  
5 less than the face value of the debt.

6 (d) Costs of collection action.--

7 (1) A health care provider or medical debt collector may  
8 not assess late fees or other penalties to an outstanding  
9 medical debt.

10 (2) A patient shall not be liable for any additional  
11 fees or costs levied by a medical debt collector in  
12 connection with the purchase, collection or attempts to  
13 collect a medical debt.

14 (e) Health insurance appeals.--A health care provider or  
15 medical debt collector who knows, or reasonably should know,  
16 about an internal or external review or appeal of a health  
17 insurance decision may not engage in a collection action with  
18 respect to unpaid charges for health care services while the  
19 review or appeal is pending. Upon learning of a pending internal  
20 or external review or appeal of a health insurance decision, a  
21 health care provider or medical debt collector shall immediately  
22 suspend any collection action with respect to the medical debt  
23 that is the subject of the health insurance decision.

24 (f) Noncompliance.--A health care provider or medical debt  
25 collector who is not in material compliance with the provisions  
26 of this act and who has not received an exemption in accordance  
27 with section 13 may not engage in a collection action with  
28 respect to a medical debt during the material noncompliance. A  
29 patient who believes that a health care provider or medical debt  
30 collector is not in material compliance with the provisions of



1 this act may file a complaint in accordance with the procedures  
2 established by the Attorney General in accordance with section  
3 10(b).

4 Section 5. Price information.

5 (a) Requirement.--A health care provider shall post on its  
6 publicly accessible Internet website price information, which  
7 shall be kept up to date and accessible via a link from the  
8 website's homepage.

9 (b) Contents.--At a minimum, the price information shall  
10 include all of the following:

11 (1) A list of gross charges for each health care service  
12 offered by the health care provider.

13 (2) The amount that Medicare would reimburse for the  
14 health care service, next to the relevant gross charge.

15 (3) Plain-language titles or descriptions of health care  
16 services that can be understood by the average consumer.

17 Section 6. Communications.

18 (a) Billing information.--

19 (1) All bills sent to a patient shall include a complete  
20 and plain-language description of the date, amount and nature  
21 of all charges and all efforts undertaken to bill insurance  
22 or public programs for the services provided.

23 (2) Prior to communicating with a consumer or initiating  
24 a collection action over medical debt, a medical debt  
25 collector shall have all billing information required in this  
26 subsection as allowed under the Health Insurance Portability  
27 and Accountability Act of 1996 (Public Law 104-191, 110 Stat.  
28 1936).

29 (b) Availability of information.--In all communications with  
30 a consumer about medical debt, including communication related

1 to collection actions, a health care provider or medical debt  
2 collector shall inform the consumer of the availability of the  
3 information specified under subsection (a) and shall offer to  
4 and, if requested, provide the information to the consumer.

5 (c) Receipts for payments.--

6 (1) A health care provider or medical debt collector  
7 shall apply payments as of the date that payment was received  
8 and use that date when assessing interest accumulation.

9 (2) Within 10 business days of receipt of a payment on a  
10 medical debt, a health care provider, medical debt collector  
11 or an agent of the health care provider or medical debt  
12 collector receiving the payment shall furnish a receipt to  
13 the person that made the payment.

14 (3) Each receipt under this subsection shall include the  
15 following:

16 (i) The amount paid.

17 (ii) The date that payment was received.

18 (iii) The account balance before the most recent  
19 payment.

20 (iv) The new balance after application of the  
21 payment.

22 (v) The interest rate and interest accrued since the  
23 consumer's last payment.

24 (vi) The consumer's account number.

25 (vii) The name of the current owner of the medical  
26 debt and, if different, the name of the health care  
27 provider.

28 (viii) Whether the payment is accepted as payment in  
29 full of the medical debt.

30 (d) Accessibility and notice.--

1           (1) All communications with a consumer regarding medical  
2 debt, including all bills, receipts and other correspondence,  
3 shall:

4           (i) Be written in plain language at a sixth grade  
5 reading level.

6           (ii) Be made accessible to individuals with visual  
7 impairments upon request.

8           (iii) Be translated into the patient's preferred  
9 language upon request.

10          (iv) Include a notice that the patient may petition  
11 for the review or re-review of the patient's status as an  
12 indigent patient or qualified patient.

13          (v) Include a notice that the patient may qualify  
14 for a payment plan or financial assistance.

15          (vi) Include a notice that the patient is entitled  
16 to a reasonable settlement offer prior to a collection  
17 action.

18          (vii) Include a notice that the patient may file a  
19 complaint with the Attorney General to enforce the  
20 provisions of this act.

21          (viii) Include a notice that the patient may be  
22 entitled to certain protections under 42 U.S.C. § 300gg-  
23 111 (relating to preventing surprise medical bills)  
24 regarding amounts charged for health care services and  
25 may access additional information regarding these  
26 protections by contacting the Insurance Department.

27          (ix) Comply with any other Federal or State  
28 requirements with respect to communications regarding  
29 consumer debt, including the act of March 28, 2000  
30 (P.L.23, No.7), known as the Fair Credit Extension

1 Uniformity Act.

2 (2) (Reserved).

3 Section 7. Uninsured patients.

4 For emergency or medically necessary health care services  
5 provided to a patient who is determined to be uninsured and not  
6 otherwise eligible for a government program, a health care  
7 provider may not charge an amount greater than the applicable  
8 payment rate for those services under the Federal Medicare  
9 program.

10 Section 8. Payment plans.

11 (a) Monthly installments.--Upon determining that a patient  
12 is a qualified patient, a health care provider or medical debt  
13 collector shall offer a payment plan to recover amounts charged  
14 for any emergency or medically necessary care. Under a payment  
15 plan offered in accordance with this section, a health care  
16 provider or medical debt collector shall collect amounts  
17 charged, not including amounts owed by third-party payers, in  
18 monthly installments such that the qualified patient is not  
19 paying more than 4% of the qualified patient's net monthly  
20 household income. A health care provider or medical debt  
21 collector must comply with this section before engaging in any  
22 collection action against the patient.

23 (b) Accord and satisfaction.--

24 (1) If a qualified patient makes 36 consecutive monthly  
25 installment payments as provided under subsection (a), a  
26 health care provider or medical debt collector shall consider  
27 the qualified patient's bill satisfied and shall permanently  
28 cease any collection action of any remaining balance.

29 (2) If a qualified patient fails to make monthly  
30 installment payments for six consecutive months, a health

1 care provider or medical debt collector may proceed to a  
2 collection action. The health care provider or medical debt  
3 collector shall comply with section 4(c) prior to engaging in  
4 a collection action under this subsection.

5 (3) If a qualified patient misses a monthly installment  
6 payment but resumes making payments, including arrearages for  
7 any months missed, the payments shall be counted for purposes  
8 of paragraph (1) if the number of missed payments does not  
9 exceed six.

10 (c) Petition.--

11 (1) No later than 60 days following receipt of the first  
12 bill for a health care service, a patient may petition a  
13 health care provider or medical debt collector to review or  
14 re-review the patient's status as a qualifying patient.

15 (2) Upon receipt of reasonable evidence that a patient  
16 is a qualified patient, a health care provider or medical  
17 debt collector shall offer a payment plan to the patient in  
18 accordance with subsection (a) and subject to subsection (b).

19 Section 9. Remedies.

20 (a) Unfair or deceptive act or practice.--A violation of  
21 this act constitutes an unfair or deceptive act or practice  
22 under the act of December 17, 1968 (P.L.1224, No.387), known as  
23 the Unfair Trade Practices and Consumer Protection Law.

24 (b) Equitable relief available.--A consumer may bring an  
25 action in court for injunctive or other appropriate equitable  
26 relief to enforce the provisions of this act.

27 (c) Remedies not exclusive.--

28 (1) The remedies provided in this section are not  
29 intended to be the exclusive remedies available to a  
30 consumer.

1           (2) A consumer shall not be required to exhaust any  
2       administrative remedies provided by this act before bringing  
3       an action in court.

4       (d) Financial assistance policy or agreement.--A financial  
5       assistance policy or other written agreement between a patient  
6       and a health care provider or medical debt collector shall not  
7       contain a provision that, prior to a dispute arising, waives or  
8       has the practical effect of waiving, the rights of the patient  
9       to resolve that dispute by obtaining any of the following:

10           (1) Injunctive, declaratory or other equitable relief.

11           (2) Multiple or minimum damages as specified by statute.

12           (3) Attorney fees and costs as specified by statute or  
13       as available at common law.

14           (4) A hearing at which that party can present evidence  
15       in person.

16       (e) Provisions unenforceable.--A provision in a financial  
17       assistance policy or other written agreement that violates the  
18       provisions of subsection (d) is void and unenforceable. A court  
19       may refuse to enforce other provisions of the financial  
20       assistance policy or other written agreement as equity may  
21       require.

22       Section 10. Enforcement.

23       (a) Authority of Attorney General.--The Attorney General  
24       shall enforce the provisions of this act.

25       (b) Complaint procedure.--The Attorney General shall  
26       establish a complaint process whereby an aggrieved patient may  
27       file a complaint against a health care provider or medical debt  
28       collector that violates a provision of this act. All complaints  
29       filed in accordance with this section shall be exempt from  
30       access under the act of February 14, 2008 (P.L.6, No.3), known

1 as the Right-to-Know Law.

2 Section 11. Medical debt settlement conferences.

3 (a) Procedures.--Notwithstanding any other provision of law,  
4 in a collection action arising from or related to a claim for  
5 medical debt not otherwise prohibited by this act, the parties  
6 shall engage in a settlement conference prior to any hearing or  
7 trial on the matter. The following apply:

8 (1) The court shall schedule the settlement conference  
9 for a time and at a place determined by the court, provided  
10 at least 20 days' notice is given to each party.

11 (2) The court shall serve the order scheduling the  
12 settlement conference on all parties, which shall require the  
13 attendance and participation of the parties at the settlement  
14 conference.

15 (3) A settlement officer shall conduct the settlement  
16 conference. The settlement officer may be a judicial officer  
17 or an officer of the court with subject matter experience, as  
18 designated by the presiding judicial officer.

19 (4) The settlement officer shall report the outcome of  
20 the settlement conference to the presiding judicial officer  
21 detailing the terms of the agreement, if authorized by the  
22 parties, or the fact that no agreement was reached.

23 (5) If, after a bona fide attempt at settlement, the  
24 parties cannot come to an agreement at the settlement  
25 conference, a civil action may proceed.

26 (b) Waiver.--If a defendant fails to appear for a settlement  
27 conference under this section, the requirements of this section  
28 may be waived and the action may proceed upon satisfaction of  
29 the court that service under subsection (a) (2) was made and the  
30 defendant did not request a rescheduling of the settlement

1 conference within 72 hours of the originally scheduled  
2 settlement conference.

3 (c) Confidentiality.--Except as otherwise provided by law,  
4 the confidentiality provisions of 42 Pa.C.S. § 5949 (relating to  
5 confidential mediation communications and documents) shall apply  
6 to all settlement conferences under this section.

7 (d) Local rules.--Each judicial district may adopt local  
8 rules to implement the provisions of this act in accordance with  
9 201 Pa. Code (relating to rules of judicial administration).

10 (e) Construction.--Nothing in this section shall be  
11 construed to preclude the parties from engaging in settlement or  
12 making an agreement at any time prior to the entry of a  
13 judgment.

14 Section 12. Prohibition of waiver of rights.

15 A waiver by a patient or other consumer of any protection  
16 provided by or any right of the patient or other consumer in  
17 accordance with this act is void and may not be enforced by any  
18 court or any other person.

19 Section 13. Exemptions.

20 A health care provider may petition the secretary for an  
21 exemption to one or more of the requirements of this act. To be  
22 eligible for an exemption of a provision of this act, the health  
23 care provider must demonstrate, to the secretary's satisfaction,  
24 that enforcement of the provision would result in the health  
25 care provider's experiencing a substantial likelihood of  
26 insolvency.

27 Section 14. Rules and regulations.

28 (a) Authorization.--The department may promulgate or adopt  
29 rules and regulations as may be necessary and appropriate to  
30 carry out the provisions of this act.



1 (b) Temporary regulations.--

2 (1) Notwithstanding any other provision of law, in order  
3 to facilitate the prompt implementation of this act, the  
4 department may issue temporary regulations. The following  
5 apply:

6 (i) The department shall issue the temporary  
7 regulations within 180 days of the effective date of this  
8 subsection. Regulations adopted after this 180-day period  
9 shall be promulgated as provided by statute.

10 (ii) Notice of the temporary regulations shall be  
11 transmitted to the Legislative Reference Bureau for  
12 publication in the next available issue of the  
13 Pennsylvania Bulletin.

14 (iii) The department shall post the temporary  
15 regulations on its publicly accessible Internet website.

16 (iv) The temporary regulations shall expire no later  
17 than two years following publication of the temporary  
18 regulations in the Pennsylvania Bulletin.

19 (2) The temporary regulations under paragraph (1) shall  
20 be exempt from the following:

21 (i) Section 612 of the act of April 9, 1929  
22 (P.L.177, No.175), known as The Administrative Code of  
23 1929.

24 (ii) Sections 201, 202, 203, 204 and 205 of the act  
25 of July 31, 1968 (P.L.769, No.240), referred to as the  
26 Commonwealth Documents Law.

27 (iii) Sections 204(b) and 301(10) of the act of  
28 October 15, 1980 (P.L.950, No.164), known as the  
29 Commonwealth Attorneys Act.

30 (iv) The act of June 25, 1982 (P.L.633, No.181),

1 known as the Regulatory Review Act.

2 (c) Contents.--Rules and regulations under this section  
3 shall establish minimum standards governing the requirements of  
4 this act and shall address, at a minimum, the following:

5 (1) A process for determining a patient's status as an  
6 indigent patient or a qualified patient.

7 (2) Guidance on billing and screening best practices  
8 based on the type and size of the health care provider,  
9 including policies to prevent the disclosure of patients'  
10 personal information to third parties.

11 (3) Specifying the circumstances that constitute a  
12 qualifying personal event, which at a minimum shall include:

13 (i) Involuntary loss of employment.

14 (ii) A short-term disability resulting in the  
15 inability to earn an income.

16 (iii) Temporary leave from employment authorized  
17 under 29 U.S.C. Ch. 28 (relating to family and medical  
18 leave).

19 (d) Permanent regulations.--Prior to the expiration of the  
20 temporary regulations, the department shall propose for approval  
21 permanent regulations as provided by statute. The proposed  
22 permanent regulations shall be consistent with subsection (c)  
23 and may be the same as the temporary regulations.

24 Section 15. Severability.

25 The provisions of this act are severable. If any provision of  
26 this act or its application to any individual or circumstance is  
27 held invalid, the invalidity shall not affect other provisions  
28 or applications of this act which can be given effect without  
29 the invalid provision or application.

30 Section 16. Applicability.

1       This act shall apply to medical debts incurred and collection  
2 actions filed on or after the effective date of this section.

3 Section 17. Effective date.

4       This act shall take effect as follows:

5           (1) The following sections shall take effect  
6 immediately:

7               (i) Section 1.

8               (ii) Section 2.

9               (iii) Section 14.

10              (iv) Section 16.

11              (v) This section.

12           (2) The remainder of this act shall take effect in 180  
13 days.