



# Senate

General Assembly

**File No. 264**

February Session, 2024

Substitute Senate Bill No. 395

*Senate, April 4, 2024*

The Committee on Human Services reported through SEN. LESSER of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## **AN ACT CONCERNING THE REPORTING OF MEDICAL DEBT.**

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

- 1 Section 1. (NEW) (*Effective July 1, 2024*) (a) As used in this section:
- 2 (1) "Medical debt" means an obligation or alleged obligation of a  
3 consumer to pay any amount related to the receipt of health care  
4 services, products or devices provided to such consumer by a health  
5 care provider. "Medical debt" does not include debt charged to a credit  
6 card unless the credit card is issued under an open-end or closed-end  
7 plan offered specifically for the payment of health care services,  
8 products or devices.
- 9 (2) "Collection entity" means any individual, partnership,  
10 corporation, trust, estate, cooperative, association, government or  
11 government subdivision, agency or other entity that either purchases  
12 medical debt or collects medical debt on behalf of another entity.
- 13 (3) "Credit rating agency" and "credit report" have the same meanings

14 as provided in section 36a-695 of the general statutes.

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

17 (b) A health care provider doing business in this state (1) shall not  
18 report any portion of a medical debt to a credit rating agency for use in  
19 a credit report, and (2) shall include in any contract entered into with a  
20 collection entity for the purchase or collection of medical debt a  
21 provision that prohibits the reporting of any portion of such medical  
22 debt to a credit rating agency.

23 (c) Any portion of a medical debt that is reported to a credit rating  
24 agency by a health care provider shall be void.

25 Sec. 2. Subsection (c) of section 19a-673b of the general statutes is  
26 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
27 *2024*):

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

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

38 (2) Initiate an action to foreclose a lien on an individual patient's  
39 primary residence if the lien was filed to secure payment for health care  
40 provided by the hospital or entity that is owned by or affiliated with  
41 such hospital to such patient on or after October 1, 2022; or

42 (3) Apply to a court for an execution against an individual patient's  
43 wages pursuant to section 52-361a, or otherwise seek to garnish such

44 patient's wages, to collect payment for health care provided by the  
 45 hospital or entity that is owned by or affiliated with such hospital to  
 46 such patient on or after October 1, 2022, if such patient is eligible for the  
 47 hospital bed fund.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2024	New section
Sec. 2	July 1, 2024	19a-673b(c)

**Statement of Legislative Commissioners:**

The title was changed.

**HS**      *Joint Favorable Subst.*

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*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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### **OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

### **Explanation**

The bill, which prohibits certain health care providers from reporting medical debt for use in a credit report, has no fiscal impact to the state.

### **The Out Years**

**State Impact:** None

**Municipal Impact:** None

**OLR Bill Analysis****sSB 395*****AN ACT CONCERNING THE REPORTING OF MEDICAL DEBT.*****SUMMARY**

This bill (1) prohibits Connecticut health care providers and hospitals or entities owned by or affiliated with hospitals from reporting medical debt to credit rating agencies for use in a credit report and (2) voids any medical debt that is reported to credit rating agencies.

The bill relatedly requires the health care providers to have in their contracts with collection entities for the purchase or collection of medical debt a provision that prohibits reporting the debt to credit rating agencies.

Under the bill, medical debt is an obligation or alleged obligation to pay for received health care services, products, or devices. It excludes debts charged to a credit card unless the card is specifically to pay for these services, products, or devices.

EFFECTIVE DATE: July 1, 2024

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable Substitute

Yea 17 Nay 4 (03/19/2024)