



General Assembly

February Session, 2024

***Raised Bill No. 395***

LCO No. 2684



Referred to Committee on HUMAN SERVICES

Introduced by:  
(HS)

***AN ACT CONCERNING MEDICAID BUDGETING METHODS AND 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 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26 repealed and the following is substituted in lieu thereof (*Effective July 1,*  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.

48 Sec. 3. (NEW) (*Effective July 1, 2024*) To the extent permissible under  
49 federal law, the Commissioner of Social Services may reduce or  
50 withhold Medicaid funding for any health care provider that violates  
51 the provisions of section 1 of this act and contracts with the  
52 commissioner to provide Medicaid-funded services.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2024</i>	New section
Sec. 2	<i>July 1, 2024</i>	19a-673b(c)
Sec. 3	<i>July 1, 2024</i>	New section

**Statement of Purpose:**

To prohibit the reporting of medical debt to credit rating agencies and impose penalties via reduction or withdrawal of Medicaid funds to the extent permissible under federal law.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*