

HOUSE BILL 1020

I3, J3

5lr2315
CF SB 614

By: **Delegate Palakovich Carr**

Introduced and read first time: February 3, 2025

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection – Credit Reporting – Medical Debt**
3 **(Fair Medical Debt Reporting Act)**

4 FOR the purpose of prohibiting a consumer reporting agency from including certain
5 medical debt information in a consumer report; prohibiting a person from using
6 medical debt information included in a consumer report when making a
7 creditworthiness determination; prohibiting certain entities from disclosing medical
8 debt to a consumer reporting agency; requiring certain entities to include a certain
9 provision in contracts entered into with a collection entity regarding medical debt
10 and establishing a contract that does not contain the provision is void and
11 unenforceable; and generally relating to credit reporting and medical debt.

12 BY adding to
13 Article – Commercial Law
14 Section 14–1213
15 Annotated Code of Maryland
16 (2013 Replacement Volume and 2024 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Health – General
19 Section 19–214.2(f)
20 Annotated Code of Maryland
21 (2023 Replacement Volume and 2024 Supplement)

22 BY adding to
23 Article – Health – General
24 Section 24–2501 and 24–2502 be under the new subtitle “Subtitle 25. Medical Debt
25 Reporting”
26 Annotated Code of Maryland
27 (2023 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Commercial Law

14-1213.

(A) (1) IN THIS SECTION, “MEDICAL DEBT” MEANS AN OBLIGATION OF A
CONSUMER TO PAY ANY AMOUNT RELATED TO THE RECEIPT OF HEALTH CARE
SERVICES, PRODUCTS, DEVICES, DURABLE MEDICAL EQUIPMENT, OR
PRESCRIPTION DRUGS PROVIDED TO A PERSON BY:

(I) A HEALTH CARE FACILITY AS DEFINED IN § 19-114 OF THE
HEALTH – GENERAL ARTICLE;

(II) A HEALTH CARE PRACTITIONER AS DEFINED IN § 19-114 OF
THE HEALTH – GENERAL ARTICLE; OR

(III) AN AMBULANCE SERVICE AS DEFINED IN § 13-515 OF THE
EDUCATION ARTICLE.

(2) “MEDICAL DEBT” INCLUDES MEDICAL BILLS THAT:

(I) ARE NOT PAST DUE; OR

(II) HAVE ALREADY BEEN PAID.

(3) “MEDICAL DEBT” DOES NOT INCLUDE DEBT CHARGED TO A
CREDIT CARD UNLESS THE CREDIT CARD IS ISSUED UNDER AN OPEN-ENDED OR A
CLOSE-ENDED PLAN OFFERED SPECIFICALLY FOR THE PAYMENT OF HEALTH CARE
SERVICES, PRODUCTS, DEVICES, DURABLE MEDICAL EQUIPMENT, OR
PRESCRIPTION DRUGS.

(B) (1) A CONSUMER REPORTING AGENCY MAY NOT:

(I) MAKE, CREATE, OR FURNISH ANY CONSUMER REPORT
CONTAINING, INCORPORATING, OR REFLECTING:

1. ANY ADVERSE INFORMATION THAT THE CONSUMER
REPORTING AGENCY KNOWS OR SHOULD KNOW RELATES TO MEDICAL DEBT
INCURRED BY THE CONSUMER; OR

2. ANY COLLECTION ACTION AGAINST A CONSUMER TO
COLLECT MEDICAL DEBT; OR

(II) MAINTAIN IN A FILE ON A CONSUMER ANY INFORMATION
RELATING TO:

1. MEDICAL DEBT INCURRED BY THE CONSUMER; OR

2. ANY COLLECTION ACTION AGAINST THE CONSUMER
TO COLLECT MEDICAL DEBT.

(2) THE PROHIBITIONS ESTABLISHED UNDER PARAGRAPH (1) OF
THIS SUBSECTION APPLY REGARDLESS OF WHEN MEDICAL DEBT WAS INCURRED BY
A CONSUMER.

(C) A PERSON MAY NOT USE MEDICAL DEBT INFORMATION INCLUDED IN A
CONSUMER REPORT TO MAKE A DETERMINATION REGARDING THE
CREDITWORTHINESS OF THE CONSUMER.

Article – Health – General

19–214.2.

(f) (1) A HOSPITAL SHALL COMPLY WITH § 24–2502 OF THIS ARTICLE.

(2) For at least 180 days after issuing an initial patient bill, a hospital may
not report adverse information about a patient to a consumer reporting agency or
commence civil action against a patient for nonpayment.

[(2)] (3) A hospital shall report the fulfillment of a patient's payment
obligation within 60 days after the obligation is fulfilled to any consumer reporting agency
to which the hospital had reported adverse information about the patient.

[(3)] (4) A hospital may not report adverse information to a consumer
reporting agency regarding a patient who at the time of service was uninsured or eligible
for free or reduced-cost care under § 19–214.1 of this subtitle.

[(4)] (5) A hospital may not report adverse information about a patient to
a consumer reporting agency, commence a civil action against a patient for nonpayment, or
delegate collection activity to a debt collector:

(i) If the hospital was notified in accordance with federal law by the
patient or the insurance carrier that an appeal or a review of a health insurance decision
is pending within the immediately preceding 60 days; or

(ii) If the hospital has completed a requested reconsideration of the denial of free or reduced-cost care that was appropriately completed by the patient within the immediately preceding 60 days.

~~[(5)]~~ (6) If a hospital has reported adverse information about a patient to a consumer reporting agency, the hospital shall instruct the consumer reporting agency to delete the adverse information about the patient:

(i) If the hospital was informed by the patient or the insurance carrier that an appeal or a review of a health insurance decision is pending, and until 60 days after the appeal is complete; or

(ii) Until 60 days after the hospital has completed a requested reconsideration of the denial of free or reduced-cost care.

SUBTITLE 25. MEDICAL DEBT REPORTING.

24-2501.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "AMBULANCE SERVICE" HAS THE MEANING STATED IN § 13-515 OF THE EDUCATION ARTICLE.

(C) "COLLECTION ENTITY" MEANS ANY INDIVIDUAL, PARTNERSHIP, CORPORATION, TRUST, ESTATE, COOPERATIVE, ASSOCIATION, GOVERNMENT OR GOVERNMENT SUBDIVISION, AGENCY, OR OTHER ENTITY THAT PURCHASES MEDICAL DEBT OR COLLECTS MEDICAL DEBT ON BEHALF OF ANOTHER.

(D) "HEALTH CARE FACILITY" HAS THE MEANING STATED IN § 19-114 OF THIS ARTICLE.

(E) "HEALTH CARE PRACTITIONER" HAS THE MEANING STATED IN § 19-114 OF THIS ARTICLE.

(F) "MEDICAL DEBT" HAS THE MEANING STATED IN § 14-1213 OF THE COMMERCIAL LAW ARTICLE.

24-2502.

(A) A HEALTH CARE FACILITY, A HEALTH CARE PRACTITIONER, OR AN AMBULANCE SERVICE:

1 **(1) MAY NOT DISCLOSE ANY PORTION OF A MEDICAL DEBT TO A**
2 **CONSUMER REPORTING AGENCY; AND**

3 **(2) SHALL INCLUDE IN ANY CONTRACT ENTERED INTO WITH A**
4 **COLLECTION ENTITY FOR THE PURCHASE OR COLLECTION OF MEDICAL DEBT A**
5 **PROVISION PROHIBITING THE DISCLOSURE OF ANY PORTION OF THE MEDICAL DEBT**
6 **TO A CONSUMER REPORTING AGENCY.**

7 **(B) A CONTRACT ENTERED INTO ON OR AFTER OCTOBER 1, 2025, THAT**
8 **DOES NOT INCLUDE THE PROVISION REQUIRED UNDER SUBSECTION (A)(2) OF THIS**
9 **SECTION IS VOID AND UNENFORCEABLE.**

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2025.