

SENATE BILL 614

I3, J3

5lr2316
CF 5lr2315

By: **Senator Lam**

Introduced and read first time: January 24, 2025

Assigned to: Finance

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.



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

3 **Article – Commercial Law**

4 **14-1213.**

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

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

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

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

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

16 (I) ARE NOT PAST DUE; OR

17 (II) HAVE ALREADY BEEN PAID.

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

23 (B) A CONSUMER REPORTING AGENCY MAY NOT INCLUDE IN A CONSUMER
24 REPORT A CONSUMER’S PAID MEDICAL DEBT OR A MEDICAL DEBT OF LESS THAN
25 \$500 REGARDLESS OF THE DATE THE MEDICAL DEBT WAS INCURRED.

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

29 **Article – Health – General**

30 **19-214.2.**

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

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

5 [(2)] (3) A hospital shall report the fulfillment of a patient's payment
6 obligation within 60 days after the obligation is fulfilled to any consumer reporting agency
7 to which the hospital had reported adverse information about the patient.

8 [(3)] (4) A hospital may not report adverse information to a consumer
9 reporting agency regarding a patient who at the time of service was uninsured or eligible
10 for free or reduced–cost care under § 19–214.1 of this subtitle.

11 [(4)] (5) A hospital may not report adverse information about a patient to
12 a consumer reporting agency, commence a civil action against a patient for nonpayment, or
13 delegate collection activity to a debt collector:

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

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

20 [(5)] (6) If a hospital has reported adverse information about a patient to
21 a consumer reporting agency, the hospital shall instruct the consumer reporting agency to
22 delete the adverse information about the patient:

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

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

28 **SUBTITLE 25. MEDICAL DEBT REPORTING.**

29 **24–2501.**

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

1 **(B) “AMBULANCE SERVICE” HAS THE MEANING STATED IN § 13–515 OF THE**
2 **EDUCATION ARTICLE.**

3 **(C) “COLLECTION ENTITY” MEANS ANY INDIVIDUAL, PARTNERSHIP,**
4 **CORPORATION, TRUST, ESTATE, COOPERATIVE, ASSOCIATION, GOVERNMENT OR**
5 **GOVERNMENT SUBDIVISION, AGENCY, OR OTHER ENTITY THAT PURCHASES**
6 **MEDICAL DEBT OR COLLECTS MEDICAL DEBT ON BEHALF OF ANOTHER.**

7 **(D) “HEALTH CARE FACILITY” HAS THE MEANING STATED IN § 19–114 OF**
8 **THIS ARTICLE.**

9 **(E) “HEALTH CARE PRACTITIONER” HAS THE MEANING STATED IN § 19–114**
10 **OF THIS ARTICLE.**

11 **(F) “MEDICAL DEBT” HAS THE MEANING STATED IN § 14–1213 OF THE**
12 **COMMERCIAL LAW ARTICLE.**

13 **24–2502.**

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

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

18 **(2) SHALL INCLUDE IN ANY CONTRACT ENTERED INTO WITH A**
19 **COLLECTION ENTITY FOR THE PURCHASE OR COLLECTION OF MEDICAL DEBT A**
20 **PROVISION PROHIBITING THE DISCLOSURE OF ANY PORTION OF THE MEDICAL DEBT**
21 **TO A CONSUMER REPORTING AGENCY.**

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

25 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
26 **October 1, 2025.**