



2025 South Dakota Legislature

House Bill 1058

Introduced by: **Representative Mulder**

1 **An Act to prohibit the collecting and reporting of medical debt in certain situations**
 2 **and to provide a penalty therefor.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1. That a NEW SECTION be added to chapter 54-1:**

5 A medical creditor or medical debt collector may not report any information
 6 regarding medical debt to a consumer reporting agency. A violation of this section is a
 7 Class 2 misdemeanor.

8 For purposes of this section, the following terms mean:

- 9 (1) "Consumer reporting agency," a person who, for consideration or on a cooperative
 10 nonprofit basis, regularly engages in whole or in part in the practice of assembling
 11 or evaluating consumer credit information or other information on consumers for
 12 the purpose of furnishing consumer reports to third parties;
 13 (2) "Medical creditor," a person who provides health care services and to whom a
 14 consumer owes money for health care services;
 15 (3) "Medical debt," a debt arising from health care services or treatments; and
 16 (4) "Medical debt collector," a person who collects or attempts to collect medical debts.

17 **Section 2. That a NEW SECTION be added to chapter 54-1:**

18 A hospital, as defined in § 34-12-1.1, is prohibited from pursuing the collection of
 19 medical debt, as defined in section 1 of this Act, against an individual:

- 20 (1) If the individual informs the hospital of an appeal pertaining to a denial of coverage
 21 by the individual's insurance provider, provided the prohibition terminates when
 22 the individual receives a final determination from the insurance provider;
 23 (2) Before the hospital has made reasonable efforts to determine whether the
 24 individual is eligible for assistance under the hospital's financial assistance program

- 1 and, if eligible, before a decision is made by the hospital on the individual's
2 application for financial assistance;
3 (3) Before the hospital has provided the individual with an itemized statement;
4 (4) For thirty days after notifying the individual in writing, by certified mail, or by other
5 traceable delivery method, that a collection action will commence, absent
6 additional action by the individual;
7 (5) While the individual negotiates, in good faith, with the hospital on the final amount
8 of a bill for services or treatments provided; or
9 (6) While the individual is in compliance with all terms of a payment plan entered into
10 with the hospital.