

118TH CONGRESS
2D SESSION

S. 4289

To cancel existing medical debt, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 8, 2024

Mr. SANDERS (for himself and Mr. MERKLEY) introduced the following bill;
which was read twice and referred to the Committee on Health, Edu-
cation, Labor, and Pensions

A BILL

To cancel existing medical debt, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medical Debt Cancell-
5 tion Act”.

6 **SEC. 2. GRANTS TO CANCEL MEDICAL DEBT OWED BY PA-**
7 **TIENTS.**

8 Section 2799B–10 of the Public Health Service Act,
9 as added by section 3, is amended by adding at the end
10 the following:

1 “(e) GRANTS TO CANCEL MEDICAL DEBT OWED BY
2 PATIENTS.—

3 “(1) IN GENERAL.—The Secretary shall estab-
4 lish a grant program under which the Secretary, be-
5 ginning not later than 1 year after the date of enact-
6 ment of the Medical Debt Cancellation Act, awards
7 grants on a competitive basis to hospitals in the
8 United States in order to eliminate all eligible med-
9 ical debt owed by residents of the United States to
10 such hospitals.

11 “(2) ELIGIBILITY.—To be eligible to receive a
12 grant under this subsection, a hospital shall—

13 “(A) submit an application to the Sec-
14 retary at such time, in such manner, and con-
15 taining such information as the Secretary may
16 require; and

17 “(B) agree to submit to the Secretary such
18 reports regarding the use of grant funds as the
19 Secretary may require.

20 “(3) PRIORITIZATION.—In awarding grants
21 under this subsection, the Secretary shall—

22 “(A) prioritize awards to hospitals that—

23 “(i) are safety net hospitals; and

24 “(ii) agree to cancel, at a minimum,
25 all medical debt that is—

1 “(I) 15 months old or less;
2 “(II) owed by low-income and
3 vulnerable patient populations; and
4 “(III) attributable to emergency
5 and non-elective care; and

6 “(B) ensure that awards are distributed to
7 hospitals across diverse geographical areas of
8 the United States.

9 “(4) SUPPLEMENT, NOT SUPPLANT.—Grants
10 awarded to a hospital under this subsection shall be
11 used to supplement, and not supplant, other sources
12 of funding and investments made by the hospital for
13 the purposes of providing financial assistance to pa-
14 tients.

15 “(5) EXPANSION OF MEDICAL DEBT CANCELLA-
16 TION.—Not later than 2 years after the date of en-
17 actment of the Medical Debt Cancellation Act, the
18 Secretary shall expand the program under this sub-
19 section to allow providers and health care facilities
20 other than hospitals, and individuals, to receive med-
21 ical debt cancellation.

22 “(6) GUIDANCE.—Not later than 1 year after
23 the date of enactment of the Medical Debt Cancellat-
24 ion Act, the Secretary shall instruct Federal health
25 care programs to eliminate medical debt collections.

1 “(7) CONSULTATION.—In carrying out this sub-
2 section, the Secretary shall consult with relevant
3 Federal agencies, departments, and health pro-
4 grams, patient advocates, community-based organi-
5 zations with experience in medical debt cancellation,
6 providers, and other key stakeholders.

7 “(8) REPORTING.—Beginning 2 years after the
8 date of enactment of the Medical Debt Cancellation
9 Act, and annually thereafter until the date on which
10 the program under this subsection sunsets pursuant
11 to paragraph (10), the Secretary shall submit to rel-
12 evant congressional committees a progress report on
13 the implementation, administration, and impact of
14 the program under this subsection.

15 “(9) DEFINITIONS.—In this subsection—

16 “(A) the term ‘eligible medical debt’—

17 “(i) means the out-of-pocket unpaid
18 amount owed by a resident of the United
19 States for items or services furnished to
20 such individual by a hospital, provided
21 that—

22 “(I) such medical debt is in com-
23 pliance with applicable Federal laws
24 and regulations, including—

1 “(aa) the medical billing re-
2 quirements of subsection (a);

3 “(bb) the medical debt col-
4 lection requirements of sub-
5 section (b); and

6 “(cc) the contracting limita-
7 tion under subsection (c);

8 “(II) such medical debt is with
9 respect to items and services fur-
10 nished to an individual on or before
11 the date of enactment of the Medical
12 Debt Cancellation Act; and

13 “(III) any dispute resolution
14 process under section 2799B-7 is
15 complete; and

16 “(ii) excludes—

17 “(I) any amount paid or payable
18 by any Federal health care program;
19 and

20 “(II) with respect to items and
21 services furnished to an individual by
22 the hospital, any amount that is in ex-
23 cess of the sum of the amount reim-
24 bursable by a Federal health care pro-
25 gram or other payer and copayment

1 amounts under such a program or
 2 other health insurance plan with re-
 3 spect to such items and services.

4 “(B) the term ‘Federal health care pro-
 5 gram’ has the meaning given such term in sec-
 6 tion 1128B(f) of the Social Security Act.

7 “(10) SUNSET.—The authorities under this
 8 subsection shall sunset on the date the Secretary
 9 certifies all eligible medical debt in the United
 10 States has been canceled under this subsection.”.

11 **SEC. 3. REQUIREMENTS FOR MEDICAL BILLING PRACTICES**
 12 **AND MEDICAL DEBT COLLECTION; MEDICAL**
 13 **PAYMENT ASSISTANCE.**

14 (a) IN GENERAL.—Part E of title XXVII of the Pub-
 15 lic Health Service Act (42 U.S.C. 300gg–131 et seq.) is
 16 amended by adding at the end the following new section:

17 **“SEC. 2799B–10. REQUIREMENTS FOR MEDICAL BILLING**
 18 **AND MEDICAL DEBT COLLECTION; MEDICAL**
 19 **PAYMENT ASSISTANCE RESOURCE.**

20 “(a) MEDICAL BILLING REQUIREMENTS.—In the
 21 case of a health care provider or facility that furnishes
 22 items or services to an individual, such provider or facility
 23 shall, not later than 45 days before the date on which pay-
 24 ment for such items or services is due—

1 “(1)(A) determine whether such individual is el-
2 igible for assistance with respect to such payment
3 pursuant to the charity care or financial assistance
4 policy of such provider or facility; and

5 “(B) if such individual is eligible for such as-
6 sistance, provide information to such individual re-
7 garding such assistance; and

8 “(2) on or after the date on which the medical
9 payment assistance resource list under subsection
10 (d)(1) is made available, provide such individual
11 with such list.

12 “(b) MEDICAL DEBT COLLECTION REQUIRE-
13 MENTS.—

14 “(1) IN GENERAL.—In the case of a health care
15 provider or facility that furnishes items or services
16 to an individual, if payment for such items or serv-
17 ices is past due, such provider or facility shall—

18 “(A) not later than 30 days after the date
19 on which the payment was due, provide to such
20 individual a statement (in clear and under-
21 standable language) that includes—

22 “(i) subject to paragraph (2)(A), the
23 total amount of the payment that remains
24 due;

1 “(ii) a description of the attempts
2 made by such provider or facility to deter-
3 mine whether such individual is eligible for
4 assistance (as described in subsection
5 (a)(1)) with respect to the payment; and

6 “(iii) in each of the 15 most com-
7 monly language (other than English), as
8 determined by the Secretary, information
9 about language-assistance services related
10 to the payment that are available to indi-
11 viduals with limited English proficiency;
12 and

13 “(B) not later than 30 days after a pay-
14 ment related to such items or services is made,
15 provide to such individual a detailed receipt of
16 such payment and a statement of the amount
17 that remains due, if applicable.

18 “(2) LIMITATIONS ON MEDICAL DEBT
19 AMOUNTS.—

20 “(A) UNINSURED INDIVIDUALS.—In the
21 case of items or services furnished to an unin-
22 sured individual by an organization that is de-
23 scribed in section 501(r)(2) of the Internal Rev-
24 enue Code of 1986 and is exempt from taxation
25 under section 501(c)(3) of such Code, such or-

1 ganization may not collect payment from such
2 individual with respect to such items or services
3 in an amount greater than the amounts gen-
4 erally billed (within the meaning of section
5 501(r) of such Code).

6 “(B) INTEREST RATE.—A health care pro-
7 vider or facility may not collect interest on past-
8 due payments for items or services furnished to
9 an individual.

10 “(c) LIMITATION ON CONTRACTING FOR PURPOSES
11 OF MEDICAL BILLING AND MEDICAL DEBT COLLEC-
12 TION.—A health care provider or facility may not enter
13 into a contract with an entity for purposes of collecting
14 payment with respect to items or services furnished by
15 such provider or facility unless such entity agrees to com-
16 ply with the requirements described in subsections (a) and
17 (b) for such provider or facility with respect to such pay-
18 ment.

19 “(d) MEDICAL PAYMENT ASSISTANCE RESOURCE
20 LIST.—

21 “(1) IN GENERAL.—Not later than 1 year after
22 the date of the enactment of the Medical Debt Can-
23 cellation Act, the Secretary shall make publicly avail-
24 able on the website of the Department of Health and
25 Human Services a comprehensive list of Federal,

1 State, and local programs that provide financial as-
2 sistance with respect to payment for items or serv-
3 ices furnished by a health care provider or facility.

4 “(2) UPDATES.—The Secretary shall update
5 the list described in paragraph (1) not less fre-
6 quently than annually.”.

7 (b) EFFECTIVE DATE.—The amendments made by
8 subsection (a) shall apply with respect to items and serv-
9 ices furnished on or after the date that is 1 year after
10 the date of the enactment of this Act.

11 (c) COORDINATION AND CONSULTATION.—In car-
12 rying out this section, the Secretary of Health and Human
13 Services shall—

14 (1) coordinate with relevant Federal depart-
15 ments and agencies, including the Consumer Finan-
16 cial Protection Bureau and the Department of the
17 Treasury; and

18 (2) consult with relevant stakeholders including
19 patient advocates, community-based organizations
20 with experience in medical debt cancellation, and
21 health care providers.

22 **SEC. 4. MEDICAL DEBT COLLECTION.**

23 (a) COLLECTION OF MEDICAL DEBT.—

24 (1) IN GENERAL.—The Fair Debt Collection
25 Practices Act (15 U.S.C. 1692 et seq.) is amended

1 by inserting after section 818 (15 U.S.C. 1692p) the
2 following:

3 **“§ 818A. Collection of medical debt**

4 “(a) IN GENERAL.—No debt collector or creditor may
5 collect or attempt to collect debt that arose from the re-
6 ceipt of medical services, products, or devices if such debt
7 was incurred by a consumer before the date of enactment
8 of this section.

9 “(b) PRIVATE RIGHT OF ACTION.—Any consumer
10 who is harmed by a violation of subsection (a) may bring
11 a civil action in the appropriate United States district
12 court against the debt collector or creditor that violated
13 subsection (a) for—

14 “(1) compensatory damages, including for eco-
15 nomic losses and for emotional harm;

16 “(2) punitive damages; and

17 “(3) reasonable attorney’s fees and costs of the
18 action to a prevailing plaintiff.”.

19 (b) TECHNICAL AND CONFORMING AMENDMENT.—
20 The table of sections for the Fair Debt Collection Prac-
21 tices Act (15 U.S.C. 1692 et seq.) is amended by inserting
22 after the item relating to section 818 the following:

“818A. Collection of medical debt.”.

1 **SEC. 5. MEDICAL DEBT REPORTING.**

2 (a) IN GENERAL.—Section 605(a) of the Fair Credit
3 Reporting Act (15 U.S.C. 1681c(a)) is amended by adding
4 at the end the following:

5 “(9) Any information related to debt that arose
6 from the receipt of medical services, products, or de-
7 vices accrued by a consumer.”.

8 (b) NOTICE REQUIREMENTS.—Each credit reporting
9 agency that removes information from the consumer re-
10 port of a consumer to comply with section 605(a)(9) of
11 the Fair Credit Reporting Act, as added by subsection (a)
12 of this section, shall notify the consumer of the removal.

13 (c) EFFECTIVE DATE.—The amendment made by
14 this section shall take effect on the date that is 30 days
15 after the date of enactment of this section.

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