

2024 -- H 7103 SUBSTITUTE A

LC003349/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS --
MEDICAL DEBT REPORTING

Introduced By: Representatives Shallcross Smith, Morales, Kislak, Fogarty, Hull, Noret,
Cardillo, Diaz, Casimiro, and Felix

Date Introduced: January 10, 2024

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 6 of the General Laws entitled "COMMERCIAL LAW — GENERAL
2 REGULATORY PROVISIONS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 60

4 MEDICAL DEBT REPORTING

5 **6-60-1. Definitions.**

6 As used in this chapter, the following terms shall have the following meanings:

7 (1) "Consumer" shall have the same meaning as such term is defined in § 19-14.9-3.

8 (2) "Consumer reporting agency" shall have the same meaning as such term is defined in
9 § 19-14.9-3.

10 (3) "Debt collector" shall have the same meaning as such term is defined in § 19-14.9-3.

11 (4) "Medical debt" means an obligation of a consumer to pay an amount for the receipt of
12 healthcare services as defined by § 27-81-3, products, or devices, owed to a healthcare facility or a
13 healthcare professional as defined by § 27-81-3.

14 **6-60-2. Medical debt reporting prohibited in contracts with collection entities.**

15 A healthcare provider as defined in § 27-81-3, or a healthcare facility authorized or licensed
16 under chapter 17 of title 23, or an emergency medical transportation service certified under chapter
17 4.1 of title 23, shall not furnish information regarding any portion of a medical debt to a consumer
18 reporting agency. In any contract entered into with a collection entity or debt collector for the

1 purchase or collection of medical debt, there shall be included a provision which prohibits the
2 reporting of any portion of medical debt to a consumer reporting agency.

3 **6-60-3. Credit reporting agencies.**

4 No credit reporting agency shall acquire, record or report any medical debt, in any manner.
5 A credit reporting agency shall not make a consumer report containing any adverse information
6 that the agency knows or should know is related to medical debt of a consumer.

7 **6-60-4. Medical debt collectors.**

8 (a) A creditor, debt collector or collection agency shall not use any false, deceptive or
9 misleading information or means when attempting to collect a medical debt or in an attempt to
10 obtain information about a consumer in relation to collection of a medical debt by making a false,
11 deceptive or misleading representation that the medical debt will be included in a consumer credit
12 report or factored into a credit score.

13 (b) Any correspondence from a creditor, debt collector or collection agency to a consumer
14 shall include the following language: "The State of Rhode Island general laws prohibit credit
15 bureaus from reporting medical debt or factoring medical debt into a credit score."

16 (c) No creditor or debt collector that knows or should have known about an internal review,
17 external review, or other appeal of a health insurance decision that is pending within sixty (60) days
18 of the consumer's receipt of the financial statement shall:

19 (1) Provide information relative to unpaid charges for healthcare services to a consumer
20 reporting agency;

21 (2) Communicate with the consumer regarding the unpaid charges for healthcare services
22 for the purpose of seeking to collect the charges; or

23 (3) Initiate a lawsuit or arbitration proceeding against the consumer relative to unpaid
24 charges for healthcare services.

25 (d) If a medical debt has already been reported to a consumer reporting agency and the
26 creditor or debt collector who reported the information learns of an internal review, external review,
27 or other appeal of a health insurance decision that is pending within sixty (60) days of the
28 consumer's receipt of the financial statement, such creditor or collector shall instruct the consumer
29 reporting agency to delete the information about the debt.

30 **6-60-5. Enforcement.**

31 Any consumer reporting agency or debt collector that fails to comply with the requirements
32 imposed under this chapter, and that does not achieve compliance within thirty (30) days of being
33 notified by the consumer of its noncompliance, is liable to that consumer in an amount equal to the
34 sum of ten dollars (\$10.00) per day for each day of noncompliance. If the noncompliance persists

1 beyond the thirty (30) days following the consumer's notification, the consumer may notify the
2 attorney general, who may bring an action against the offending person or entity to enjoin that
3 person or entity from continuing the violation and for any other relief that the court deems
4 appropriate. In the case of any successful action to enforce any provision of this chapter, the costs
5 of the action together with reasonable attorneys' fees as determined by the court shall be borne by
6 the offending consumer reporting agency or debt collector.

7 SECTION 2. This act shall take effect on January 1, 2025.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS --
MEDICAL DEBT REPORTING

1 This act prohibits hospitals and other medical providers from reporting medical debt to
2 consumer reporting agencies. A violation of this chapter may be pursued on behalf of the consumer
3 by the attorney general.

4 This act would take effect on January 1, 2025.

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