

# Union Calendar No. 537

116TH CONGRESS  
2D SESSION

# H. R. 5330

[Report No. 116-653]

To amend the Fair Debt Collection Practices Act to provide a timetable for verification of medical debt and to increase the efficiency of credit markets with more perfect information, to prohibit consumer reporting agencies from issuing consumer reports containing information about debts related to medically necessary procedure, about and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 5, 2019

Ms. TLAIB introduced the following bill; which was referred to the Committee on Financial Services

DECEMBER 15, 2020

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on December 5, 2019]

# **A BILL**

To amend the Fair Debt Collection Practices Act to provide a timetable for verification of medical debt and to increase the efficiency of credit markets with more perfect information, to prohibit consumer reporting agencies from issuing consumer reports containing information about debts related to medically necessary procedure, about 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 “Consumer Protection*  
5       *for Medical Debt Collections Act”.*

6       **SEC. 2. AMENDMENTS TO THE FAIR DEBT COLLECTION**  
7               **PRACTICES ACT.**

8           (a) *DEFINITION.*—Section 803 of the Fair Debt Collec-  
9       *tion Practices Act (15 U.S.C. 1692a) is amended by adding*  
10       *at the end the following:*

11                       “(9) *The term ‘medical debt’ means a debt*  
12                       *arising from the receipt of medical services,*  
13                       *products, or devices.”.*

14           (b) *UNFAIR PRACTICES.*—Section 808 of the Fair Debt  
15       *Collection Practices Act (15 U.S.C. 1692f) is amended by*  
16       *adding at the end the following:*

17                       “(9) *Engaging in activities to collect or at-*  
18                       *tempting to collect a medical debt owed or due*  
19                       *or asserted to be owed or due by a consumer, be-*  
20                       *fore the end of the 2-year period beginning on*  
21                       *the date that the first payment with respect to*  
22                       *such medical debt is due.”.*

1 **SEC. 3. PROHIBITION ON CONSUMER REPORTING AGEN-**  
 2 **CIES REPORTING CERTAIN MEDICAL DEBT.**

3 (a) *DEFINITION.*—Section 603 of the Fair Credit Re-  
 4 porting Act (15 U.S.C. 1681a) is amended by adding at  
 5 the end the following:

6 “(bb) *MEDICAL DEBT.*—The term ‘medical debt’ means  
 7 a debt arising from the receipt of medical services, products,  
 8 or devices.

9 “(cc) *MEDICALLY NECESSARY PROCEDURE.*—The term  
 10 ‘medically necessary procedure’ means—

11 “(1) health care services or supplies needed to di-  
 12 agnose or treat an illness, injury, condition, disease,  
 13 or its symptoms and that meet accepted standards of  
 14 medicine; and

15 “(2) health care to prevent illness or detect ill-  
 16 ness at an early stage, when treatment is likely to  
 17 work best (including preventive services such as pap  
 18 tests, flu shots, and screening mammograms).”.

19 (b) *IN GENERAL.*—Section 605(a) of the Fair Credit  
 20 Reporting Act (15 U.S.C. 1681c(a)) is amended by adding  
 21 at the end the following new paragraphs:

22 “(9) Any information related to a debt arising  
 23 from a medically necessary procedure.

24 “(10) Any information related to a medical debt,  
 25 if the date on which such debt was placed for collec-  
 26 tion, charged to profit or loss, or subjected to any

1        *similar action antedates the report by less than 365*  
 2        *calendar days.”.*

3        **SEC. 4. REQUIREMENTS FOR FURNISHERS OF MEDICAL**  
 4        **DEBT INFORMATION.**

5        *(a) ADDITIONAL NOTICE REQUIREMENTS FOR MED-*  
 6        *ICAL DEBT.—Section 623 of the Fair Credit Reporting Act*  
 7        *(15 U.S.C. 1681s-2) is amended by adding at the end the*  
 8        *following:*

9        *“(f) ADDITIONAL NOTICE REQUIREMENTS FOR MED-*  
 10        *ICAL DEBT.—Before furnishing information regarding a*  
 11        *medical debt of a consumer to a consumer reporting agency,*  
 12        *the person furnishing the information shall send a state-*  
 13        *ment to the consumer that includes the following:*

14                *“(1) A notification that the medical debt—*

15                        *“(A) may not be included on a consumer re-*  
 16                        *port made by a consumer reporting agency until*  
 17                        *the later of the date that is 365 days after—*

18                                *“(i) the date on which the person sends*  
 19                                *the statement;*

20                                        *“(ii) with respect to the medical debt of*  
 21                                        *a borrower demonstrating hardship, a date*  
 22                                        *determined by the Director of the Bureau;*  
 23                                        *or*

24    *“(iii) the date described under section*  
 25    *605(a)(10); and*

1           “(B) may not ever be included on a con-  
 2           sumer report made by a consumer reporting  
 3           agency, if the medical debt arises from a medi-  
 4           cally necessary procedure.

5           “(2) A notification that, if the debt is settled or  
 6           paid by the consumer or an insurance company be-  
 7           fore the end of the period described under paragraph  
 8           (1)(A), the debt may not be reported to a consumer  
 9           reporting agency.

10          “(3) A notification that the consumer may—

11               “(A) communicate with an insurance com-  
 12               pany to determine coverage for the debt; or

13               “(B) apply for financial assistance.”.

14          (b) *FURNISHING OF MEDICAL DEBT INFORMATION.*—  
 15          Section 623 of the Fair Credit Reporting Act (15 U.S.C.  
 16          1681s-2), as amended by subsection (a), is further amended  
 17          by adding at the end the following:

18          “(g) *FURNISHING OF MEDICAL DEBT INFORMATION.*—

19               “(1) *PROHIBITION ON REPORTING DEBT RE-*  
 20               *LATED TO MEDICALLY NECESSARY PROCEDURES.*—No  
 21               person shall furnish any information to a consumer  
 22               reporting agency regarding a debt arising from a  
 23               medically necessary procedure.

24               “(2) *TREATMENT OF OTHER MEDICAL DEBT IN-*  
 25               *FORMATION.*—With respect to a medical debt not de-

scribed under paragraph (1), no person shall furnish any information to a consumer reporting agency regarding such debt before the end of the 365-day period beginning on the later of—

“(A) the date on which the person sends the statement described under subsection (f) to the consumer;

“(B) with respect to the medical debt of a borrower demonstrating hardship, a date determined by the Director of the Bureau; or

“(C) the date described in section 605(a)(10).

“(3) *TREATMENT OF SETTLED OR PAID MEDICAL DEBT.*—With respect to a medical debt not described under paragraph (1), no person shall furnish any information to a consumer reporting agency regarding such debt if the debt is settled or paid by the consumer or an insurance company before the end of the 365-day period described under paragraph (2).

“(4) *BORROWER DEMONSTRATING HARDSHIP DEFINED.*—In this subsection, and with respect to a medical debt, the term ‘borrower demonstrating hardship’ means a borrower or a class of borrowers who, as determined by the Director of the Bureau, is facing or has experienced unusual extenuating life cir-

1        *cumstances or events that result in severe financial or*  
2        *personal barriers such that the borrower or class of*  
3        *borrowers does not have the capacity to repay the*  
4        *medical debt.”.*

5    **SEC. 5. EFFECTIVE DATE.**

6        *This Act and the amendments made by this Act shall*  
7        *take effect on the date that is 180 days after the date of*  
8        *enactment of this Act.*

Amend the title so as to read: “A bill to amend the Fair Debt Collection Practices Act to provide a timetable for the collection of medical debt by debt collectors, to amend the Fair Credit Reporting Act to prohibit consumer reporting agencies from issuing consumer reports containing information about debts related to medically necessary procedures, and for other purposes.”.





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