

# HOUSE BILL 1020

I3, J3

5lr2315  
CF SB 614

---

By: **Delegate Palakovich Carr**

Introduced and read first time: February 3, 2025

Assigned to: Economic Matters

---

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 25, 2025

---

## CHAPTER \_\_\_\_\_

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, without amendments,  
18 Article – Health – General  
19 Section 19–214.2(a)(1) and (e)(1)  
20 Annotated Code of Maryland  
21 (2023 Replacement Volume and 2024 Supplement)

22 BY repealing and reenacting, with amendments,

---

### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Health – General  
 2 Section ~~19–214.2(f)~~ 19–214.2(b), (e)(4), and (f)  
 3 Annotated Code of Maryland  
 4 (2023 Replacement Volume and 2024 Supplement)

5 BY adding to  
 6 Article – Health – General  
 7 Section 24–2501 and 24–2502 be under the new subtitle “Subtitle 25. Medical Debt  
 8 Reporting”  
 9 Annotated Code of Maryland  
 10 (2023 Replacement Volume and 2024 Supplement)

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

13 **Article – Commercial Law**

14 **14–1213.**

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

19 (i) ~~A HEALTH CARE FACILITY AS DEFINED IN § 19–114 OF THE~~  
 20 ~~HEALTH – GENERAL ARTICLE;~~

21 (ii) ~~A HEALTH CARE PRACTITIONER AS DEFINED IN § 19–114 OF~~  
 22 ~~THE HEALTH – GENERAL ARTICLE; OR~~

23 (iii) ~~AN AMBULANCE SERVICE AS DEFINED IN § 13–515 OF THE~~  
 24 ~~EDUCATION ARTICLE DEBT OWED BY A CONSUMER TO:~~

25 (I) A PERSON WHOSE PRIMARY BUSINESS IS PROVIDING  
 26 MEDICAL SERVICES, PRODUCTS, OR DEVICES; OR

27 (II) THE PERSON’S AGENT OR ASSIGNEE FOR THE PROVISION OF  
 28 MEDICAL SERVICES, PRODUCTS, OR DEVICES.

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

30 (I) ARE NOT PAST DUE; OR

31 (II) HAVE ALREADY BEEN PAID.



1                   1.     The total number of patients by race or ethnicity, gender,  
2 and zip code of residence against whom the hospital, or a debt collector used by the hospital,  
3 filed an action to collect a debt owed on a hospital bill;

4                   2.     The total number of patients by race or ethnicity, gender,  
5 and zip code of residence with respect to whom the hospital has and has not reported or  
6 classified a bad debt; and

7                   3.     The total dollar amount of the charges for hospital services  
8 provided to patients but not collected by the hospital for patients covered by insurance,  
9 including the out-of-pocket costs for patients covered by insurance, and patients without  
10 insurance.

11           (b)     The policy submitted under subsection (a)(1) of this section shall:

12                   (1)     Provide for active oversight by the hospital of any contract for collection  
13 of debts on behalf of the hospital;

14                   (2)     Prohibit the hospital from selling any debt;

15                   (3)     Prohibit the charging of interest on bills incurred by self-pay patients  
16 before a court judgment is obtained;

17                   (4)     Describe in detail the consideration by the hospital of patient income,  
18 assets, and other criteria;

19                   (5)     Prohibit the hospital from [reporting]:

20                           (I)     REPORTING ADVERSE INFORMATION to a consumer reporting  
21 agency; or [filing]

22                           (II)    FILING a civil action to collect a debt within 180 days after the  
23 initial bill is provided;

24                   (6)     Describe the hospital's procedures for collecting a debt;

25                   (7)     Describe the circumstances in which the hospital will seek a judgment  
26 against a patient;

27                   (8)     In accordance with subsection (c) of this section, provide for a refund of  
28 amounts collected from a patient or the guarantor of a patient who was later found to be  
29 eligible for free care within 240 days after the initial bill was provided;

30                   (9)     If the hospital has obtained a judgment against or reported adverse  
31 information to a consumer reporting agency about a patient who later was found to be  
32 eligible for free care within 240 days after the initial bill was provided for which the

1 judgment was awarded or the adverse information was reported, require the hospital to  
2 seek to vacate the judgment or strike the adverse information;

3 (10) Provide a mechanism for a patient to:

4 (i) Request the hospital to reconsider the denial of free or  
5 reduced-cost care;

6 (ii) File with the hospital a complaint against the hospital or a debt  
7 collector used by the hospital regarding the handling of the patient's bill; and

8 (iii) Allow the patient and the hospital to mutually agree to modify  
9 the terms of a payment plan offered under subsection (e) of this section or entered into with  
10 the patient; [and]

11 (11) Prohibit the hospital from collecting additional fees in an amount that  
12 exceeds the approved charge for the hospital service as established by the Commission for  
13 which the medical debt is owed on a bill for a patient who is eligible for free or  
14 reduced-cost care under the hospital's financial assistance policy; AND

15 (12) **COMPLY WITH § 24-2505 OF THIS ARTICLE.**

16 (e) (1) Subject to paragraph (2) of this subsection, a hospital shall provide in  
17 writing to each patient who incurs medical debt information about the availability of an  
18 installment payment plan for the debt.

19 (4) (i) A patient shall be deemed to be compliant with a payment plan  
20 if the patient makes at least 11 scheduled monthly payments within a 12-month period.

21 (ii) If a patient misses a scheduled monthly payment, the patient  
22 shall contact the health care facility and identify a plan to make up the missed payment  
23 within 1 year after the date of the missed payment.

24 (iii) The health care facility may, but may not be required to, waive  
25 any additional missed payments that occur within a 12-month period and allow the patient  
26 to continue to participate in the income-based payment plan and not refer the outstanding  
27 balance owed [to a collection agency or] for legal action.

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

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

1            ~~[(2)] (3)~~      A hospital shall report the fulfillment of a patient’s payment  
2 obligation within 60 days after the obligation is fulfilled to any consumer reporting agency  
3 to which the hospital had reported adverse information about the patient.

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

7            ~~[(4)] (5)~~      A hospital may not ~~report adverse information about a patient to~~  
8 ~~a consumer reporting agency,~~ commence a civil action against a patient for nonpayment, or  
9 delegate collection activity to a debt collector:

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

13                    (ii)     If the hospital has completed a requested reconsideration of the  
14 denial of free or reduced-cost care that was appropriately completed by the patient within  
15 the immediately preceding 60 days.

16            ~~[(5)] (6)~~      ~~If a hospital has~~ **BY NOVEMBER 1, 2025, A HOSPITAL THAT**  
17 **HAD** reported adverse information about a patient to a consumer reporting agency, ~~the~~  
18 ~~hospital~~ shall instruct the consumer reporting agency to delete the adverse information  
19 about the patient:

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

23                    (ii)     ~~Until 60 days after the hospital has completed a requested~~  
24 ~~reconsideration of the denial of free or reduced cost care.~~

## 25                    SUBTITLE 25. MEDICAL DEBT REPORTING.

### 26            24-2501.

27            (A)    IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
28 INDICATED.

29            ~~(B)    “AMBULANCE SERVICE” HAS THE MEANING STATED IN § 13-515 OF THE~~  
30 ~~EDUCATION ARTICLE.~~

31            ~~(C) (B)~~      “COLLECTION ENTITY” MEANS ANY INDIVIDUAL, PARTNERSHIP,  
32 CORPORATION, TRUST, ESTATE, COOPERATIVE, ASSOCIATION, GOVERNMENT OR  
33 GOVERNMENT SUBDIVISION, AGENCY, OR OTHER ENTITY THAT PURCHASES  
34 MEDICAL DEBT OR COLLECTS MEDICAL DEBT ON BEHALF OF ANOTHER.

1 ~~(D) "HEALTH CARE FACILITY" HAS THE MEANING STATED IN § 19-114 OF~~  
2 ~~THIS ARTICLE.~~

3 ~~(E) "HEALTH CARE PRACTITIONER" HAS THE MEANING STATED IN § 19-114~~  
4 ~~OF THIS ARTICLE.~~

5 ~~(F)~~ (C) "MEDICAL DEBT" HAS THE MEANING STATED IN § 14-1213 OF THE  
6 COMMERCIAL LAW ARTICLE.  
7 24-2502.

8 (A) ~~A HEALTH CARE FACILITY, A HEALTH CARE PRACTITIONER, OR AN~~  
9 ~~AMBULANCE SERVICE~~ A PERSON WHOSE PRIMARY BUSINESS IS PROVIDING  
10 MEDICAL SERVICES, PRODUCTS, OR DEVICES, OR THE PERSON'S AGENT OR  
11 ASSIGNEE:

12 (1) MAY NOT DISCLOSE ANY PORTION OF A MEDICAL DEBT TO A  
13 CONSUMER REPORTING AGENCY; AND

14 (2) SHALL INCLUDE IN ANY CONTRACT ENTERED INTO WITH A  
15 COLLECTION ENTITY FOR THE PURCHASE OR COLLECTION OF MEDICAL DEBT A  
16 PROVISION PROHIBITING THE DISCLOSURE OF ANY PORTION OF THE MEDICAL DEBT  
17 TO A CONSUMER REPORTING AGENCY.

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

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 October 1, 2025.

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
Speaker of the House of Delegates.

\_\_\_\_\_  
President of the Senate.