118TH CONGRESS  
2D Session  

S.  

To cancel existing medical debt, and for other purposes.

IN THE SENATE OF THE UNITED STATES  

Mr. Sanders (for himself and Mr. Merkley) introduced the following bill; which was read twice and referred to the Committee on  

A BILL  

To cancel existing medical debt, and for other purposes.

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

SECTION 1. SHORT TITLE.  

This Act may be cited as the “Medical Debt Cancellation Act”.

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

Section 2799B–10 of the Public Health Service Act,  
as added by section 3, is amended by adding at the end  
the following:
“(e) **Grants to Cancel Medical Debt Owed by Patients.**—

“(1) In general.—The Secretary shall establish a grant program under which the Secretary, beginning not later than 1 year after the date of enactment of the Medical Debt Cancellation Act, awards grants on a competitive basis to hospitals in the United States in order to eliminate all eligible medical debt owed by residents of the United States to such hospitals.

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

“(A) submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require; and

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

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

“(A) prioritize awards to hospitals that—

“(i) are safety net hospitals; and

“(ii) agree to cancel, at a minimum,
“(I) 15 months old or less;

“(II) owed by low-income and

vulnerable patient populations; and

“(III) attributable to emergency

and non-elective care; and

“(B) ensure that awards are distributed to

hospitals across diverse geographical areas of

the United States.

“(4) Supplement, not supplant.—Grants

awarded to a hospital under this subsection shall be

used to supplement, and not supplant, other sources

of funding and investments made by the hospital for

the purposes of providing financial assistance to pa-


tients.

“(5) Expansion of medical debt cancella-

tion.—Not later than 2 years after the date of en-

actment of the Medical Debt Cancellation Act, the

Secretary shall expand the program under this sub-

section to allow providers and health care facilities

other than hospitals, and individuals, to receive med-

ical debt cancellation.

“(6) Guidance.—Not later than 1 year after

the date of enactment of the Medical Debt Cancellation Act, the Secretary shall instruct Federal health
care programs to eliminate medical debt collections.
“(7) CONSULTATION.—In carrying out this subsection, the Secretary shall consult with relevant Federal agencies, departments, and health programs, patient advocates, community-based organizations with experience in medical debt cancellation, providers, and other key stakeholders.

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

“(9) DEFINITIONS.—In this subsection—

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

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

“(I) such medical debt is in compliance with applicable Federal laws and regulations, including—
“(aa) the medical billing requirements of subsection (a);

“(bb) the medical debt collection requirements of subsection (b); and

“(cc) the contracting limitation under subsection (e);

“(II) such medical debt is with respect to items and services furnished to an individual on or before the date of enactment of the Medical Debt Cancellation Act; and

“(III) any dispute resolution process under section 2799B–7 is complete; and

“(ii) excludes—

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

“(II) with respect to items and services furnished to an individual by the hospital, any amount that is in excess of the sum of the amount reimbursable by a Federal health care program or other payer and copayment
amounts under such a program or other health insurance plan with respect to such items and services.

“(B) the term ‘Federal health care program’ has the meaning given such term in section 1128B(f) of the Social Security Act.

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

SEC. 3. REQUIREMENTS FOR MEDICAL BILLING PRACTICES AND MEDICAL DEBT COLLECTION; MEDICAL PAYMENT ASSISTANCE.

(a) In General.—Part E of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–131 et seq.) is amended by adding at the end the following new section:

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

“(a) Medical Billing Requirements.—In the case of a health care provider or facility that furnishes items or services to an individual, such provider or facility shall, not later than 45 days before the date on which payment for such items or services is due—
“(1)(A) determine whether such individual is eligi-
ble for assistance with respect to such payment
pursuant to the charity care or financial assistance
policy of such provider or facility; and

“(B) if such individual is eligible for such as-
sistance, provide information to such individual re-

garding such assistance; and

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

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

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

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

“(i) subject to paragraph (2)(A), the
total amount of the payment that remains
due;
“(ii) a description of the attempts
made by such provider or facility to deter-
mine whether such individual is eligible for
assistance (as described in subsection
(a)(1)) with respect to the payment; and

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

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

“(2) LIMITATIONS ON MEDICAL DEBT
AMOUNTS.—

“(A) UNINSURED INDIVIDUALS.—In the
case of items or services furnished to an unin-
sured individual by an organization that is de-
scribed in section 501(r)(2) of the Internal Rev-

e nue Code of 1986 and is exempt from taxation
under section 501(e)(3) of such Code, such or-
ganization may not collect payment from such individual with respect to such items or services in an amount greater than the amounts generally billed (within the meaning of section 501(r) of such Code).

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

“(c) LIMITATION ON CONTRACTING FOR PURPOSES OF MEDICAL BILLING AND MEDICAL DEBT COLLECTION.—A health care provider or facility may not enter into a contract with an entity for purposes of collecting payment with respect to items or services furnished by such provider or facility unless such entity agrees to comply with the requirements described in subsections (a) and (b) for such provider or facility with respect to such payment.

“(d) MEDICAL PAYMENT ASSISTANCE RESOURCE LIST.—

“(1) IN GENERAL.—Not later than 1 year after the date of the enactment of the Medical Debt Cancellation Act, the Secretary shall make publicly available on the website of the Department of Health and Human Services a comprehensive list of Federal,
State, and local programs that provide financial assistance with respect to payment for items or services furnished by a health care provider or facility.

“(2) Updates.—The Secretary shall update the list described in paragraph (1) not less frequently than annually.”.

(b) Effective Date.—The amendments made by subsection (a) shall apply with respect to items and services furnished on or after the date that is 1 year after the date of the enactment of this Act.

(c) Coordination and Consultation.—In carrying out this section, the Secretary of Health and Human Services shall—

(1) coordinate with relevant Federal departments and agencies, including the Consumer Financial Protection Bureau and the Department of the Treasury; and

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

SEC. 4. MEDICAL DEBT COLLECTION.

(a) Collection of Medical Debt.—

(1) In general.—The Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.) is amended
by inserting after section 818 (15 U.S.C. 1692p) the following:

“§ 818A. Collection of medical debt

“(a) In General.—No debt collector or creditor may collect or attempt to collect debt that arose from the receipt of medical services, products, or devices if such debt was incurred by a consumer before the date of enactment of this section.

“(b) Private Right of Action.—Any consumer who is harmed by a violation of subsection (a) may bring a civil action in the appropriate United States district court against the debt collector or creditor that violated subsection (a) for—

“(1) compensatory damages, including for economic losses and for emotional harm;

“(2) punitive damages; and

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

(b) Technical and Conforming Amendment.—The table of sections for the Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.) is amended by inserting after the item relating to section 818 the following:

“818A. Collection of medical debt.”.
SEC. 5. MEDICAL DEBT REPORTING.

(a) In General.—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)) is amended by adding at the end the following:

“(9) Any information related to debt that arose from the receipt of medical services, products, or devices accrued by a consumer.”.

(b) Notice Requirements.—Each credit reporting agency that removes information from the consumer report of a consumer to comply with section 605(a)(9) of the Fair Credit Reporting Act, as added by subsection (a) of this section, shall notify the consumer of the removal.

(c) Effective Date.—The amendment made by this section shall take effect on the date that is 30 days after the date of enactment of this section.