

118TH CONGRESS
2D SESSION

H. R. 8311

To cancel existing medical debt, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2024

Mr. KHANNA (for himself, Ms. TLAIB, Mr. BOWMAN, Mr. CASAR, Ms. JAYAPAL, Ms. LEE of Pennsylvania, Mr. MCGOVERN, Ms. OMAR, Ms. PRESSLEY, Mrs. RAMIREZ, Ms. SCHAKOWSKY, Mr. TAKANO, and Ms. VELÁZQUEZ) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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 Cancellat-
5 ion Act”.

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

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

6 “(e) GRANTS TO CANCEL MEDICAL DEBT OWED BY
7 PATIENTS.—

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

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

18 “(A) submit an application to the Sec-
19 retary at such time, in such manner, and con-
20 taining such information as the Secretary may
21 require; and

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

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

1 “(A) prioritize awards to hospitals that—

2 “(i) are safety net hospitals; and

3 “(ii) agree to cancel, at a minimum,

4 all medical debt that is—

5 “(I) 15 months old or less;

6 “(II) owed by low-income and

7 vulnerable patient populations; and

8 “(III) attributable to emergency

9 and non-elective care; and

10 “(B) ensure that awards are distributed to

11 hospitals across diverse geographical areas of

12 the United States.

13 “(4) SUPPLEMENT, NOT SUPPLANT.—Grants

14 awarded to a hospital under this subsection shall be

15 used to supplement, and not supplant, other sources

16 of funding and investments made by the hospital for

17 the purposes of providing financial assistance to pa-

18 tients.

19 “(5) EXPANSION OF MEDICAL DEBT CANCELLA-

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

21 actment of the Medical Debt Cancellation Act, the

22 Secretary shall expand the program under this sub-

23 section to allow providers and health care facilities

24 other than hospitals, and individuals, to receive med-

25 ical debt cancellation.

1 “(6) GUIDANCE.—Not later than 1 year after
2 the date of enactment of the Medical Debt Cancellat-
3 tion Act, the Secretary shall instruct Federal health
4 care programs to eliminate medical debt collections.

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

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

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

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

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

1 “(I) such medical debt is in com-
2 pliance with applicable Federal laws
3 and regulations, including—

4 “(aa) the medical billing re-
5 quirements of subsection (a);

6 “(bb) the medical debt col-
7 lection requirements of sub-
8 section (b); and

9 “(cc) the contracting limita-
10 tion under subsection (c);

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

16 “(III) any dispute resolution
17 process under section 2799B-7 is
18 complete; and

19 “(ii) excludes—

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

23 “(II) with respect to items and
24 services furnished to an individual by
25 the hospital, any amount that is in ex-

1 cess of the sum of the amount reim-
 2 bursable by a Federal health care pro-
 3 gram or other payer and copayment
 4 amounts under such a program or
 5 other health insurance plan with re-
 6 spect to such items and services.

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

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

14 **SEC. 3. REQUIREMENTS FOR MEDICAL BILLING PRACTICES**
 15 **AND MEDICAL DEBT COLLECTION; MEDICAL**
 16 **PAYMENT ASSISTANCE.**

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

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

23 “(a) MEDICAL BILLING REQUIREMENTS.—In the
 24 case of a health care provider or facility that furnishes
 25 items or services to an individual, such provider or facility

1 shall, not later than 45 days before the date on which pay-
2 ment for such items or services is due—

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

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

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

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

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

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

1 “(i) subject to paragraph (2)(A), the
2 total amount of the payment that remains
3 due;

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

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

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

21 “(2) LIMITATIONS ON MEDICAL DEBT
22 AMOUNTS.—

23 “(A) UNINSURED INDIVIDUALS.—In the
24 case of items or services furnished to an unin-
25 sured individual by an organization that is de-

1 scribed in section 501(r)(2) of the Internal Rev-
2 enue Code of 1986 and is exempt from taxation
3 under section 501(c)(3) of such Code, such or-
4 ganization may not collect payment from such
5 individual with respect to such items or services
6 in an amount greater than the amounts gen-
7 erally billed (within the meaning of section
8 501(r) of such Code).

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

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

22 “(d) MEDICAL PAYMENT ASSISTANCE RESOURCE
23 LIST.—

24 “(1) IN GENERAL.—Not later than 1 year after
25 the date of the enactment of the Medical Debt Can-

1 cellation Act, the Secretary shall make publicly avail-
2 able on the website of the Department of Health and
3 Human Services a comprehensive list of Federal,
4 State, and local programs that provide financial as-
5 sistance with respect to payment for items or serv-
6 ices furnished by a health care provider or facility.

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

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

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

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

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

1 **SEC. 4. MEDICAL DEBT COLLECTION.**

2 (a) COLLECTION OF MEDICAL DEBT.—

3 (1) IN GENERAL.—The Fair Debt Collection
4 Practices Act (15 U.S.C. 1692 et seq.) is amended
5 by inserting after section 818 (15 U.S.C. 1692p) the
6 following:

7 **“§ 818A. Collection of medical debt**

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

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

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

20 “(2) punitive damages; and

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

23 (b) TECHNICAL AND CONFORMING AMENDMENT.—

24 The table of sections for the Fair Debt Collection Prac-

1 tices Act (15 U.S.C. 1692 et seq.) is amended by inserting
2 after the item relating to section 818 the following:

“818A. Collection of medical debt.”.

3 **SEC. 5. MEDICAL DEBT REPORTING.**

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

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

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

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

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