

1 H.607

2 Introduced by Representatives Durfee of Shaftsbury, Bongartz of Manchester,
3 and Nigro of Bennington

4 Referred to Committee on

5 Date:

6 Subject: Health; health care providers; consumer protection; medical debt
7 collection

8 Statement of purpose of bill as introduced: This bill proposes to prohibit
9 bringing or threatening to bring any legal action to recover on an unpaid
10 medical debt or sending an unpaid medical debt to collections unless the
11 patient received timely notice of the outstanding medical debt and had a
12 reasonable opportunity to satisfy it. The bill would also require certain
13 information to be provided to patients in medical debt collection notices and
14 would deem a health care provider's failure to comply with the medical debt
15 collection requirements to be unprofessional conduct under the applicable
16 licensing statutes.

17 An act relating to medical debt collection

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. 12 V.S.A. § 1043 is added to read:

3 § 1043. MEDICAL DEBT COLLECTION

4 (a)(1) A health care provider or medical debt collector shall not commence
5 an action to recover on an unpaid medical debt unless the health care provider:

6 (A) provided the patient with timely notice of the medical debt and
7 that notice complied with the requirements of 18 V.S.A. § 9481; and

8 (B) gave the patient a reasonable opportunity to satisfy the debt prior
9 to commencing the action or to furnishing the patient's medical debt to a
10 medical debt collector.

11 (2) In order to commence an action to recover on an unpaid medical
12 debt, the health care provider shall have made reasonable efforts to ensure that
13 the patient actually received the notice required by subdivision (1)(A) of this
14 subsection.

15 (b) As used in this section:

16 (1) "Health care provider" has the same meaning as in 18 V.S.A.
17 § 9402.

18 (2) "Health care services" means services for the diagnosis, prevention,
19 treatment, cure, or relief of a physical, dental, behavioral, or mental health
20 condition or substance use disorder, including procedures, products, devices,
21 and medications.

1 (3) “Medical debt” means a debt arising from the receipt of health care
2 services.

3 (4) “Medical debt collector” means an individual or entity that collects
4 or attempts to collect, directly or indirectly, medical debts originally owed or
5 due, or asserted to be owed or due, to another individual or entity.

6 (5) “Timely notice” means notice provided within 30 days following the
7 health care provider’s receipt of the last expected payment from the patient’s
8 health insurance plan or other health- or accident-related coverage for the
9 service or services giving rise to the medical debt, but in no event later than
10 one year following the date on which the health care service or services giving
11 rise to the debt were delivered.

12 Sec. 2. 18 V.S.A. chapter 221, subchapter 10 is added to read:

13 Subchapter 10. Consumer Protection for Patients

14 § 9481. DEFINITIONS

15 As used in this subchapter:

16 (1) “Health care services” means services for the diagnosis, prevention,
17 treatment, cure, or relief of a physical, dental, behavioral, or mental health
18 condition or substance use disorder, including procedures, products, devices,
19 and medications.

20 (2) “Medical debt” means a debt arising from the receipt of health care
21 services.

1 (3) “Medical debt collector” means an individual or entity that collects
2 or attempts to collect, directly or indirectly, medical debts originally owed or
3 due, or asserted to be owed or due, to another individual or entity.

4 (4) “Timely notice” means notice provided within 30 days following the
5 health care provider’s receipt of the last expected payment from the patient’s
6 health insurance plan or other health- or accident-related coverage for the
7 service or services giving rise to the medical debt, but in no event later than
8 one year following the date on which the health care service or services giving
9 rise to the debt were delivered.

10 § 9482. MEDICAL DEBT COLLECTION NOTICES

11 (a) Any notice or other correspondence to a patient from or on behalf of a
12 health care provider relating to outstanding medical debt that the health care
13 provider claims the patient owes shall include:

14 (1) the date or dates on which the health care services that are the
15 subject of the outstanding medical debt were delivered and a description of
16 those services;

17 (2) the amount of the outstanding medical debt;

18 (3) information regarding the process by which the patient may dispute
19 any or all of the health care provider’s claim of outstanding medical debt; and

20 (4) information about the health care provider’s patient assistance
21 policy, if applicable.

1 (b) A medical debt collection notice shall not contain any provision that is
2 prohibited under 9 V.S.A. § 2453 or the rules adopted pursuant to that section.

3 § 9483. MEDICAL DEBT COLLECTION PRACTICES

4 (a) A health care provider shall not furnish a patient's medical debt to a
5 medical debt collector unless the health care provider first:

6 (1) provided the patient with timely notice of the medical debt and that
7 notice complied with the requirements of section 9481 of this chapter; and

8 (2) gave the patient a reasonable opportunity to satisfy the debt.

9 (b) A health care provider or medical debt collector shall not commence or
10 threaten to commence a legal action to recover on an unpaid medical debt
11 unless the health care provider:

12 (1) provided the patient with timely notice of the medical debt and that
13 notice complied with the requirements of section 9481 of this chapter; and

14 (2) gave the patient a reasonable opportunity to satisfy the debt.

15 Sec. 3. 3 V.S.A. § 129a is amended to read:

16 § 129a. UNPROFESSIONAL CONDUCT

17 (a) In addition to any other provision of law, the following conduct by a
18 licensee constitutes unprofessional conduct. When that conduct is by an
19 applicant or person who later becomes an applicant, it may constitute grounds
20 for denial of a license or other disciplinary action. Any one of the following

1 items or any combination of items, whether the conduct at issue was
2 committed within or outside the State, shall constitute unprofessional conduct:

3 * * *

4 (29) For a health care provider, failure to comply with the medical debt
5 collection provisions in 18 V.S.A. chapter 221, subchapter 10.

6 * * *

7 Sec. 4. 26 V.S.A. § 1354 is amended to read:

8 § 1354. UNPROFESSIONAL CONDUCT

9 (a) The Board shall find that any one of the following, or any combination
10 of the following, whether the conduct at issue was committed within or outside
11 the State, constitutes unprofessional conduct:

12 * * *

13 (40) use of conversion therapy as defined in 18 V.S.A. § 8351 on a
14 client younger than 18 years of age; ~~or~~

15 (41) failure to comply with one or more of the notice, disclosure, or
16 advertising requirements in 18 V.S.A. § 4502 for administering stem cell or
17 stem cell-related products not approved by the U.S. Food and Drug
18 Administration; or

19 (42) failure to comply with the medical debt collection provisions in
20 18 V.S.A. chapter 221, subchapter 10.

21 * * *

1 Sec. 5. EFFECTIVE DATE

2 This act shall take effect on July 1, 2022.