

STATE OF NEW YORK

4907--A

Cal. No. 1000

2023-2024 Regular Sessions

IN SENATE

February 17, 2023

Introduced by Sens. RIVERA, CLEARE, COONEY, GONZALEZ, HOYLMAN-SIGAL, KRUEGER, LIU, MAY, MYRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Health -- reported favorably from said committee and committed to the Committee on Consumer Protection -- reported favorably from said committee, ordered to first and second report, amended on second report, ordered to a third reading, and to be reprinted as amended, retaining its place in the order of third reading

AN ACT to amend the public health law and the general business law, in relation to prohibiting medical debt from being collected by a consumer reporting agency or included in a consumer report

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Short title. This act shall be known and may be cited as
2 the "fair medical debt reporting act".

3 § 2. The public health law is amended by adding a new article 49-A to
4 read as follows:

ARTICLE 49-A

MEDICAL DEBT REPORTING

Section 4925. Definitions.

8 4926. Medical debt reporting prohibited in contracts with
9 collection entities.

4927. Enforcement.

11 § 4925. Definitions. As used in this article, the following terms
12 shall have the following meanings:

13 1. "Medical debt" means an obligation or alleged obligation of a
14 consumer to pay any amount whatsoever related to the receipt of health
15 care services, products, or devices provided to a person by a hospital
16 licensed under article twenty-eight of this chapter, a health care
17 professional authorized under title eight of the education law or an

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 ambulance service certified under article thirty of this chapter.
2 Medical debt does not include debt charged to a credit card unless the
3 credit card is issued under an open-ended or closed-end plan offered
4 specifically for the payment of health care services, products, or
5 devices provided to a person.

6 2. "Collection entity" means any individual, partnership, corporation,
7 trust, estate, co-operative, association, government or government
8 subdivision, agency or other entity that either purchases medical debt
9 or collects medical debt on behalf of another entity.

10 3. "Consumer reporting agency" shall have the same meaning as such
11 term is defined in section three hundred eighty-a of the general busi-
12 ness law.

13 § 4926. Medical debt reporting prohibited in contracts with collection
14 entities. A hospital licensed under article twenty-eight of this chap-
15 ter, a health care professional authorized under title eight of the
16 education law, or an ambulance service certified under article thirty of
17 this chapter:

18 1. shall not furnish any portion of a medical debt to a consumer
19 reporting agency; and

20 2. shall include a provision in any contract entered into with a
21 collection entity for the purchase or collection of medical debt that
22 prohibits the reporting of any portion of such medical debt to a consum-
23 er reporting agency.

24 § 4927. Enforcement. Any portion of a medical debt that is furnished
25 to a consumer reporting agency shall be void.

26 § 3. Section 380-a of the general business law is amended by adding a
27 new subdivision (v) to read as follows:

28 (v) The term "medical debt" means any obligation or alleged obligation
29 of a consumer to pay any amount whatsoever related to the receipt of
30 health care services, products, or devices provided by a hospital
31 licensed under article twenty-eight of the public health law, a health
32 care professional authorized under title eight of the education law, or
33 an ambulance service certified under article thirty of the public health
34 law.

35 § 4. Subdivision (a) of section 380-j of the general business law, as
36 added by chapter 867 of the laws of 1977, is amended to read as follows:

37 (a) No consumer reporting agency shall report or maintain in the file
38 on a consumer, information:

39 (1) relative to an arrest or a criminal charge unless there has been a
40 criminal conviction for such offense, or unless such charges are still
41 pending,

42 (2) relative to a consumer's race, religion, color, ancestry or ethnic
43 origin, [✗]

44 (3) relative to a medical debt as defined in this statute; or

45 (4) which it has reason to know is inaccurate.

46 § 5. Subparagraphs (vii) and (viii) of paragraph 1 of subdivision (f)
47 of section 380-j of the general business law, as added by chapter 867 of
48 the laws of 1977, are amended to read as follows:

49 (vii) information relating to past confinement in a mental institution
50 where the date of last confinement antedates the report by more than
51 seven years; [✗]

52 (viii) information relating to a medical debt regardless of the date
53 it was incurred; or

54 (ix) any other adverse information which antedates the report by more
55 than seven years.

56 § 6. This act shall take effect immediately.