STATE OF NEW YORK

6275--A

2023-2024 Regular Sessions

IN ASSEMBLY

April 3, 2023

Introduced by M. of A. PAULIN, SEAWRIGHT, ARDILA, McDONALD, FORREST, SEPTIMO, GONZALEZ-ROJAS, SIMONE -- read once and referred to the Committee on Consumer Affairs and Protection -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

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

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

ARTICLE 49-A
MEDICAL DEBT REPORTING

Section 4925. Definitions.
4926. Medical debt reporting prohibited in contracts with collection entities.
4927. Enforcement.

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

1. "Medical debt" means an obligation or alleged obligation of a consumer to pay any amount whatsoever related to the receipt of health care services, products, or devices provided to a person by a hospital licensed under article twenty-eight of this chapter, a health care professional authorized under title eight of the education law or an ambulance service certified under article thirty of this chapter. Medical debt does not include debt charged to a credit card unless the credit card is issued under an open-ended or closed-end plan offered

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

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specifically for the payment of health care services, products, or devices provided to a person.

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

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

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

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

2. shall include a provision in any contract entered into with a collection entity for the purchase or collection of medical debt that prohibits the reporting of any portion of such medical debt to a consumer reporting agency.

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 6. This act shall take effect immediately.