

THE **STRENGTHENING CONSUMER PROTECTIONS** AND **MEDICAL DEBT TRANSPARENCY ACT**

A recent [report](#) found that medical debt was a widespread issue impacting an estimated 41% of Americans — or about 100 million adults.¹ The report also found that in their efforts to pay what was owed, adults endure a number of significant financial consequences, including skipping payment on other bills or delaying college or buying a home. Health care debt can also impact an individual's ability to receive needed medical care. One in seven adults with health care debt report being denied care by a provider because of unpaid bills and adults with health care debt are twice as likely to postpone or skip getting needed health care because of cost.²

The *Strengthening Consumer Protections and Medical Debt Transparency Act*, introduced by **Senators Chris Murphy (D-Conn.) and Mike Braun (R-Ind.)**, would put in place standard practices to make sure that health care entities communicate with consumers about any debt that is owed, and require public reporting about medical debt collection practices.

This bill would require:

- The Department of Health and Human Services (HHS) create a publicly available database of annual reporting from hospitals, freestanding facilities, and large provider practices with information about whether they use collection agents, the process for assigning debt to a collection agent, and the number of Extraordinary Collection Actions, as defined by the IRS, they have initiated. HHS will maintain a public list of any health care entity that does not submit the required information each year.
- Before an entity can send debt into collections, they should ensure that all insurance coverage appeals have been resolved and determine whether the patient qualifies for assistance.
- Health care entities, or their contracted debt collection agencies, shall not enter into extraordinary collection until 180 days after an initial bill is sent and the debtor's identity has been confirmed.
- Health care entities provide the patient with an itemized statement of the debt owed as well as detailed receipts of payments made within 30 days.
- A health care entity or its agent who fails to comply with changes under the Act is liable to the patient for actual damages and up to \$1,000. In the case of a class action suit, damages are the amount each plaintiff could have recovered, not to exceed \$2 million. If the patient is successful, then attorney's fees and other costs also can be recovered.
- The Consumer Financial Protection Bureau (CFPB) issue a biennial report on medical debt and review the public database for its application to the CFPB's risk supervision program.

¹ Kaiser Family Foundation. *Health Care Debt In The U.S.: The Broad Consequences Of Medical And Dental Bills*.

² *ibid.*