

B 26-0438 -- Redline

Engrossed to Enrolled -- Medical Debt Mitigation Amendment Act of 2025

Deletions ~~struck~~ · Insertions underlined

~~ENGROSSED~~ENROLLED ORIGINAL ~~AAN BILL~~ACT 3 ~~26-438-5~~ IN THE COUNCIL OF THE DISTRICT OF COLUMBIA ~~8-~~ To amend the Health Services Planning Program Re-establishment Act of 1996 to require the Department of Health to collect certain ~~data,~~data and to require certain health care facilities to offer financial assistance and payment plans to eligible patients;

to amend ~~section~~Chapter 28-38 ~~3814~~of Title 28 of the District of Columbia Official Code to prohibit the reporting of medical debt to a credit reporting agency, ~~and to prohibit~~ wage garnishments and property liens to collect on a medical ~~debt;~~debt, and health care providers from assisting patients with completing applications for, or promoting, medical lending products under certain conditions or requiring credit card authorization before the date that health services are provided or costs are incurred;

to ~~add~~amend a ~~Chapter new~~39 section of 28-3820 ~~Title 28~~ of the District of Columbia ~~Official Code~~ to ~~prohibit~~make ~~health care~~violation ~~providers of from the assisting~~restrictions ~~patients on~~ with completing applications for, or promoting, medical lending products ~~to an~~ patients ~~unfair~~ under certain conditions, and to ~~prohibit~~ health care providers from requiring credit card authorization before the date that health services are provided or costs ~~deceptive~~ are ~~trade~~ incurred; practice;

~~to and make for~~ another ~~violation~~ purposes. ~~of the restrictions on medical lending products an unfair or deceptive trade practice;~~

~~to amend Chapter 2 of Title 40 of the District of Columbia Official Code to limit liens for emergency health services provided by a health care facility to the lesser of either the amount the patient owes after insurance claims or 33% of the total amount awarded to the patient;~~

~~and to amend Chapter 1 of Title 15 of the District of Columbia Official Code to prevent the revival of judgments against a debtor for medical debt.~~

~~ENGROSSED ORIGINAL~~-(1) Section 2 (D.C.

"(10A) "Health care facility-FAP" means a health care facility, but excluding an ~~intermediate care facilities, facility,~~ skilled nursing ~~facilities, facility,~~ or home health ~~agencies, agency,~~ that is required to have a financial assistance policy under title II."

"(a-2) Beginning one year after the applicability date of this subsection, and annually thereafter, each health care facility-FAP shall provide a written report to the Department ~~of Health~~ on its financial assistance policy, including:

ENROLLED ORIGINAL "(1) The number of patients who received financial assistance in the past 12 months, disaggregated by patients who received free and discounted care, residency, race, ethnicity, age, and ~~primary language spoken,~~ primary language spoken, if such information is available;

~~ENGROSSED ORIGINAL~~ "(A) The number of instances the health care facility-FAP has sold medical debt to a collection entity, as that term is defined in section ~~23(1),~~ 201(1). including the business ~~names~~ name of the collection ~~entities;~~ entity;

and "(C) The number of instances the health care facility-FAP or collection entity acting on behalf of the health care facility-FAP has commenced litigation against a patient to collect on medical debt, including the court ~~of in law under~~ which the litigation was commenced;

and "(6) Any other information required by the Department ~~of Health~~ through rulemaking."

(c) A new ~~Title~~ title II is added to read as follows:

23-201.

~~ENGROSSED ORIGINAL~~ "(1) "Collection entity" means a person that purchases medical debt or collects medical debt on behalf of another.

"(4) "Financial assistance policy" means the policy required by section ~~24-~~ 202.

The ENROLLED ORIGINAL term "medical debt" does not include charges to a credit card for the provision of medical services, products, or devices, unless the credit card is a medical lending product.

"(7) "Medically necessary health service" means a health service, including pharmaceuticals, medical supplies, and plastic surgery designed to correct disfigurement caused by injury, illness, or congenital defect or deformity, provided by a health care provider to a ~~ENGROSSED ORIGINAL~~ patient that is necessary to prevent, ~~diagnose~~ diagnose, or treat an illness, injury, condition or disease, or the symptoms of an illness, injury, condition or disease, and meets accepted standards of medicine.

"(8) "Patient" means an individual who ~~received~~ receives medical services, products, or devices, including an individual's parent or legal guardian if the individual is a minor, legal guardian if the individual is an adult under guardianship, or an individual's legally appointed healthcare agent.

24-202.

~~ENGROSSED ORIGINAL~~ "(E) The process for a patient to dispute an adverse financial assistance decision;

ENROLLED ORIGINAL "(1) Posting the policy in a prominent location on its website;

and ~~ENGROSSED ORIGINAL~~ "(B) On bills and statements;

and "(4) A disclaimer in the application materials that the patient is not required to pay the medical bill until a decision on their application has been rendered, in accordance with section ~~25(c)~~-203(e).
~~25-203.~~

"(a) Except in emergency circumstances, a health care facility-FAP shall inform patients of the following information before the provision of a medically necessary health service:

and "(2) If the patient is insured, a good faith estimate of the patient's cost-sharing ~~responsibilities~~responsibility under the patient's health insurance plan.

"(B) Is participating in a federal or local public assistance program, including the Supplemental Nutrition Assistance Program, Special Supplemental Nutrition Program for Women, Infants, and Children, Temporary Assistance for Needy Families, National School Lunch ~~Program~~Program, ~~free or reduced price meals~~, Low-Income Home Energy Assistance Program, Medicaid, or DC Healthcare Alliance;

~~ENGROSSED ORIGINAL~~ "(C) Is experiencing homelessness or is at risk of homelessness, as those terms are defined in section 2 of the Homeless Services Reform Act of 2025, effective October 22, 2005 (D.C. Official Code Sec. ~~4-751.01~~);4-751.01);

or "(E) Satisfies any other criteria established by the Department ~~of Health~~ through rulemaking.

ENROLLED ORIGINAL "(2) A health care facility-FAP shall also affirmatively screen a patient for financial assistance if a member of the patient's household satisfies paragraph (1)(B) or (E) of this subsection.

"(3) A patient who is screened for financial assistance eligibility under paragraph (1) of this subsection shall be deemed eligible for financial assistance if they ~~submit~~apply an application for financial assistance and provide documentation that they satisfy at least one of the criteria under paragraph (1) of this subsection.

"(c) If a patient does not meet any of the criteria set forth in subsection (b)(1) of this section, the health care facility-FAP shall screen the patient for financial assistance eligibility upon request and determine a patient's eligibility for financial assistance using:

~~ENGROSSED ORIGINAL~~ "(A) The patient's most recent available tax return;

"(d) A health care facility-FAP shall provide a patient, including the patient's representative if the patient is deceased and died intestate, with the opportunity to ~~file~~apply an application for financial assistance for up to 240 days after the date of the first posted medical bill;

provided, that a patient who is the subject of a collection activity by the facility or a collection entity may submit an application for financial assistance at any time and the health care facility-FAP or collection entity shall cease collection activity until the health care ~~facility-facility-FAP-FAP~~ renders a decision on the application, including a determination on the amount of medical debt owed, new payment plan terms, or debt cancellation.

~~ENGROSSED ORIGINAL~~ "(1) If approved, notify the patient that their medical bill has been reduced or eliminated, of any amount still outstanding, and on how to apply for additional financial assistance for any remaining balance;

or "(2) If denied, notify the patient of the denial and include an explanation of the basis for the denial of financial assistance and the process for ~~appealing~~-appealing the decision.

"(g) ~~AThe health care facility-FAP's~~ financial assistance policy shall, at a minimum, provide:

ENROLLED ORIGINAL "(1) Free care to patients with a household income of 200% or less of the federal poverty level;

and "(2) Reduced-cost care to patients with a household income of more than 200% but not more than 500% of the federal poverty level by reducing the patient's out-of-pocket expenses for the health service, based on the amounts generally billed under 26 U.S.C.

"(A) 75%, for a patient with a household income of ~~201%~~more than 200% but not more than 300% of the federal poverty level;

"(B) 60%, for a patient with a household income of more than 300% but not more than 400% of the federal poverty level;

and "(C) 40%, for a patient with a household income of more than 400% but not more than 500% of the federal poverty level.

~~ENGROSSED ORIGINAL~~ "(h) Nothing in this section shall be construed to prohibit or limit a health care facility from:

~~26-204.~~

"(a)(1) For a patient who is approved for reduced-cost care financial assistance under section ~~25~~203 ("eligible patient"), a health care facility-FAP shall offer a payment plan with a monthly installment payment not to exceed 3% of the patient's monthly household income and with the first payment not due until at least 30 days after the patient is discharged or finished treatment at the facility;

provided, that, upon written request by the patient, or if the patient currently has a payment plan, plan within the same health care system as the health care ~~facility-FAP, facility-FAP~~ with a higher monthly installment percentage, the health care facility-FAP may offer a payment plan with a higher monthly installment payment.

~~ENGROSSED ORIGINAL~~ "(2) Any medical debt sold by a health care facility-FAP to a collection entity shall retain the terms of the payment plan.

and ENROLLED ORIGINAL "(C) An opportunity to discuss with staff the payment plan option prior to the eligible patient being discharged.

"(c) A health care facility-FAP shall provide patients who enter into a payment plan with a written copy, via mail or email, of the payment plan within 21 days after the ~~patient agreement, agrees to the payment plan,~~ which shall, at a minimum, include:

~~ENGROSSED ORIGINAL~~ "(1) The patient fails to make scheduled payments for at least 3 consecutive months; 27, 205.

"(b) The Department ~~of Health~~ shall make the information reported by a health care facility-FAP pursuant to section 6(a-2) and any corrective action plans or fines imposed for a violation of this title publicly available.

"(c)(1) The Department ~~of Health~~ shall create a process for patients to submit a complaint relating to a health care facility's noncompliance with this title.

~~ENGROSSED ORIGINAL~~ "(2) The Department ~~of Health~~ shall review complaints submitted pursuant to paragraph (1) of this subsection within 30 days after receipt of the complaint.

"(d) The Department ~~of Health~~ shall share information obtained pursuant to this title and section 6(a-2) with the Office of the Attorney General, upon request, within 30 days after the ~~request, request is made.~~

ENROLLED ORIGINAL "Sec.

28, 206.

"(a) No later than the applicability date of the Medical Debt Mitigation Amendment Act of 2026, ~~passed as on approved 2nd by reading the Committee on Health June on 2, April 7, 2026 (Committee (Enrolled print version of Bill 26-26-438), -438),~~ the Mayor, pursuant to Title I of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat.

and "(2) The process for patients to submit a complaint to the Department ~~of Health~~ pursuant to section 27(c), 205(c).

"(b) The Department ~~of Health~~ shall engage with health care facilities and patient advocates in the ~~development rulemaking of process rules~~ in order to minimize administrative costs for health care providers and ensure a streamlined application process for patients."

~~Section Title 28-3814 28~~ of the District of Columbia Official Code is amended ~~by adding a new subsection (dd) to read as follows:~~

~~ENGROSSED (a) ORIGINAL Chapter "(dd)(1) 38 Notwithstanding is any amended other as provision follows: of this section, a health care provider or debt collector shall not engage in medical debt collection until 180 days after the date the consumer receives the first posted medical bill and provide at least 90 days' notice to the patient before commencing medical debt collection;~~

~~provided, (1) that, Section if 28-3814 the is services amended were by provided adding at a health new care subsection facility-FAP, (dd) the to health read care as facility-FAP follows: or debt collector.~~

~~"(A)"(dd)(1) Shall Notwithstanding include any with other the provision notice of this section, a statement health that care explains provider or debt collector shall not engage in medical debt collection until 180 days after the availability date of the free consumer or receives discounted the care first for posted qualifying medical patients bill and the shall process provide at least 90 days' notice to apply the for patient financial before assistance; commencing medical debt collection;~~

~~and provided, "(B) that, Shall if not the engages services in were medical provided debt at collection against a patient health who is eligible for financial assistance under section 25, unless the patient has refused financial assistance, or is receiving discounted care under facility-FAP, the health care facility-FAP's facility-FAP financial or assistance debt policy collector and shall: has defaulted on their payment plan.~~

"(A) Include with the notice a statement that explains the availability of free or discounted care for qualifying patients and the process to apply for financial assistance;

and "(B) Not engage in medical debt collection against a patient who is eligible for financial assistance under section 203 of the Health Services Planning Program Re-establishment Act of 1996, passed on 2nd reading on June 2, 2026 (Enrolled version of Bill 26- 438), unless the patient has refused financial assistance or is receiving discounted care under the health care facility-FAP's financial assistance policy and has defaulted on their payment plan.

~~ENGROSSED ENROLLED ORIGINAL~~ "(A) Request the court to vacate the judgment in any collection lawsuit over the medical debt and attempt to enter into a payment plan with the patient;

"(4)(A) A health care provider or debt collector who knows or should have known about an appeal of a

health insurance decision that is pending or was pending within the previous ~~90~~ days that forms the basis of the medical debt shall not:

~~ENGROSSED ORIGINAL~~ "(ii) Initiate a lawsuit or arbitration proceeding against the patient relating to the medical debt;

~~ENGROSSED~~ ENROLLED ORIGINAL "(7) For purposes of this subsection, the term:

"(A) "Health care facility-FAP" shall have the same meaning as provided in ~~section~~ Sec. 2(10A)44-401(10A). ~~of the Health Services Planning Program Re-establishment Act of 1996, effective April 9, 1997 (D.C.~~

Law ~~11-191;~~ "Health care provider" means a person whose primary business is to provide medical services, products, or devices, including a health care facility, as that term is defined in Sec. 44-401(10).

~~D.C.~~ "(C) "Medical debt" shall have the same meaning as provided in section 201(5) of the Health Services Planning Program Re-establishment Act of 1996, passed on 2nd reading on June 2, 2026 (Enrolled version of Bill 26-438).

~~Official Code Sec. 44-401(10A).~~

~~"(B) "Health care provider" means a person whose primary business is to provide medical services, products, or devices, including a health care facility, as that term is defined in section 2(10) of the Health Services Planning Program Re-establishment Act of 1996, effective April 9, 1997 (D.C.~~

~~Law 11-191;~~

~~D.C.~~

~~Official Code Sec. 44-401(10)).~~

~~"(C) "Medical debt" shall have the same meaning as provided in section 23(5) of the Health Services Planning Program Re-establishment Act of 1996, approved by the Committee on Health on April 7, 2026 (Committee print of Bill 26-438).~~

Sec. (2) A new section 28-3820 is added to read as follows:

~~4-~~

~~Title 28 of the District of Columbia Official Code is amended as follows:~~

~~(a) Chapter 38 is amended as follows:~~

~~(1) A new section 28-3820 is added to read as follows:~~

"(a) For the purposes of this section, the term "medical lending product" shall have the same meaning as provided in section ~~23(6).~~ 201(6) of the Health Services Planning Program Re-establishment Act of 1996, passed on 2nd reading on June 2, 2026 (Enrolled version of Bill 26-438).

~~ENGROSSED ORIGINAL~~ "(b) A health care provider, as that term is defined in Sec. ~~28-3814(dd),~~ 28-3814(dd)(7)(B), shall not:

or ~~ENGROSSED ORIGINAL~~ "(6) If the services were provided at a health care facility-FAP, as defined in Sec. 44-401(10A), offer a medical lending product or another form of credit until the health care ~~facility-FAP~~ facility- FAP has offered or conducted a financial assistance eligibility screening pursuant to section ~~25.~~ 203 ENROLLED ORIGINAL of the Health Services Planning Program Re-establishment Act of 1996, passed on 2nd reading on June 2, 2026 (Enrolled version of Bill 26-438)."

(1) Section ~~28-3904~~ 28-3904 is amended as follows:

(A) Subsection ~~(ll)~~ (nn) is ~~amended~~ redesignated to read as follows: subsection (ll).

(B) Subsection (ll) is amended to read as follows:

~~(B)(C) Subsection A~~ a new subsection (mm) is added to read as follows:

"(mm) violate any provision of ~~D.C. Sec. 28-3820.~~"

Code (2) Sec. Section 28-3820. ~~28-3909(a) is amended by striking the phrase "28-3819, 28-3851" and inserting the phrase "28-3819, 28-3820, 28-3851" in its place.~~

~~(C) Subsection (nn) is repealed.~~

~~(2) Section 28-3909(a) is amended by striking the phrase "28-3819, 28-3851" and inserting the phrase "28-3819, 28-3820, 28-3851" in its place.~~

~~5-4.~~

(b) Subsection (a) is amended by striking the phrase "have a lien upon that part going or belonging to such patient, of any recovery or sum had or collected or to be collected by such patient" and inserting the phrase "have a lien upon that part going or belonging to such patient, ~~ENGROSSED ORIGINAL~~ of any recovery or sum had or collected or to be collected by such patient;

~~6-5.~~

"(b) Notwithstanding subsection (a) of this section, an order of revival shall not be granted for a judgment or decree to enforce the collection of medical debt, as that term is defined in section ~~23(5).~~ 201(5) of the Health Services Planning Program Re-establishment Act of 1996, passed on 2nd reading on June 2, 2026 (Enrolled version of Bill 26-438)."

~~7~~6.

ENROLLED ORIGINAL (b) The Chief Financial Officer shall certify the date of the inclusion of the fiscal effect in an approved budget and financial plan, and provide notice to the Budget Director of the Council of the certification.

~~ENGROSSED ORIGINAL~~ (c)(1) The Budget Director shall cause the notice of the certification to be published in the District of Columbia Register.

~~8~~7.

~~9~~8.

~~22~~ _____ Chairman Council of the District of Columbia
_____Mayor District of Columbia 12