

118TH CONGRESS
2D SESSION

H. R. 9129

To amend title XVIII of the Social Security Act to establish certain standards and requirements with respect to financial assistance and medical debt collection for hospitals participating in the Medicare program, and to amend title III of the Public Health Service Act to establish a grant program for purposes of medical debt relief.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2024

Mr. VASQUEZ (for himself, Mr. HORSFORD, Mr. RUIZ, Mr. THANEDAR, Ms. SCHRIER, and Ms. BARRAGÁN) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to establish certain standards and requirements with respect to financial assistance and medical debt collection for hospitals participating in the Medicare program, and to amend title III of the Public Health Service Act to establish a grant program for purposes of medical debt relief.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Patient Debt Relief
3 Act”.

4 **SEC. 2. ESTABLISHING STANDARDS AND REQUIREMENTS**
5 **WITH RESPECT TO FINANCIAL ASSISTANCE**
6 **AND MEDICAL DEBT COLLECTION AS CONDI-**
7 **TION OF PARTICIPATION IN THE MEDICARE**
8 **PROGRAM.**

9 Section 1866 of the Social Security Act (42 U.S.C.
10 1395cc) is amended—

11 (1) in subsection (a)(1)—

12 (A) in subparagraph (X), by striking
13 “and” at the end;

14 (B) in subparagraph (Y), by striking the
15 period at the end and inserting “, and”; and

16 (C) by inserting after subparagraph (Y)
17 the following new subparagraph:

18 “(Z) in the case of a hospital, beginning Janu-
19 ary 1, 2026, to comply with the financial assistance
20 and debt collection requirements described in sub-
21 section (l).”;

22 (2) in subsection (b), by adding at the end the
23 following new paragraph:

24 “(5)(A) A hospital that fails to comply with the
25 requirements of subsection (a)(1)(Z) (relating to fi-

1 nancial assistance and debt collection) is subject to
2 a civil monetary penalty under this paragraph.

3 “(B) The Secretary may impose a civil mone-
4 etary penalty in an amount specified by the Secretary
5 (but not to exceed \$1,000,000) for each instance of
6 noncompliance with the requirements of subsection
7 (a)(1)(Z), as determined by the Secretary, if—

8 “(i) not later than 90 days after the date
9 on which the Secretary determines such non-
10 compliance exists, the Secretary submits to
11 such hospital a notification of such determina-
12 tion; and

13 “(ii) as of the date that is 45 days after
14 such notification is sent, the Secretary deter-
15 mines that such hospital has not taken mean-
16 ingful actions to come into compliance with
17 such requirements.

18 The provisions of section 1128A (other than sub-
19 sections (a) and (b)) shall apply to a civil monetary
20 penalty under this paragraph in the same manner as
21 such provisions apply to a penalty or proceeding
22 under section 1128A(a).”; and

23 (3) by adding at the end the following new sub-
24 section:

1 “(l) FINANCIAL ASSISTANCE AND DEBT COLLECTION
2 REQUIREMENTS.—

3 “(1) IN GENERAL.—For purposes of subsection
4 (a)(1)(Z), the financial assistance and debt collection
5 requirements are, with respect to a hospital—

6 “(A) the financial assistance and charity
7 care requirements described in paragraph (2);
8 and

9 “(B) the medical debt collection limitations
10 described in paragraph (3).

11 “(2) FINANCIAL ASSISTANCE AND CHARITY
12 CARE REQUIREMENTS.—For purposes of paragraph
13 (1), the requirements described in this paragraph
14 are, with respect to a hospital, the following:

15 “(A) The hospital—

16 “(i) has established a charity care or
17 financial assistance policy;

18 “(ii) has established minimum eligi-
19 bility requirements with respect to such
20 charity care or financial assistance policy,
21 and has made such requirements publicly
22 available; and

23 “(iii) has established a process for
24 screening individuals furnished items or
25 services by the hospital to determine

1 whether each such individual may be eligi-
2 ble for assistance with respect to payment
3 for such items or services pursuant to such
4 charity care or financial assistance policy.

5 “(B) With respect to items or services fur-
6 nished by the hospital to an individual who has
7 applied for charity care or financial assistance
8 under the policy described in subparagraph
9 (A)(i), the hospital—

10 “(i) determines, not later than 30
11 days before the date on which payment for
12 such items or services is due, whether such
13 individual is eligible for assistance with re-
14 spect to such payment pursuant to such
15 charity care or financial assistance policy;

16 “(ii) in the case that a hospital deter-
17 mines pursuant to clause (i) that an indi-
18 vidual is ineligible for such charity care or
19 financial assistance policy with respect to
20 such payment, permits such individual to
21 appeal such determination; and

22 “(iii) does not seek to collect such
23 payment from such individual until the de-
24 termination under clause (i) with respect
25 to such individual has been made.

1 “(C) The hospital includes with any bill for
2 payment with respect to items or services fur-
3 nished by the hospital to an individual—

4 “(i) the minimum eligibility require-
5 ments described in subparagraph (A)(ii)
6 with respect to the charity care or financial
7 assistance policy of the hospital;

8 “(ii) notice of the medical debt collec-
9 tion limitations described in paragraph (3),
10 including the repayment program described
11 in subparagraph (C)(ii) of such paragraph;
12 and

13 “(iii) instructions for the individual to
14 submit to the hospital any information
15 that would be necessary for the hospital to
16 make a determination with respect to the
17 household income of such individual at the
18 time such items or services were furnished
19 for purposes of carrying out subparagraph
20 (D) of such paragraph.

21 “(3) MEDICAL DEBT COLLECTION LIMITA-
22 TIONS.—For purposes of paragraph (1), the limita-
23 tions described in this paragraph are, with respect to
24 a hospital and medical debt owed to the hospital by
25 an individual, that—

1 “(A) the hospital does not seek to place a
2 lien on or foreclose upon the home of such indi-
3 vidual in order to collect such medical debt;

4 “(B) the hospital does not seek to garnish
5 the wages of such individual in order to collect
6 such medical debt;

7 “(C) subject to subparagraph (D)(ii), the
8 hospital does not sell or assign such medical
9 debt to a debt collector unless—

10 “(i) more than 1 year has elapsed
11 since the date on which payment for such
12 items or services was due;

13 “(ii) the hospital makes available to
14 the individual a repayment program under
15 which the individual may make minimum
16 monthly payments (provided that each
17 such payment does not exceed 4 percent of
18 the gross monthly income of such indi-
19 vidual) toward the medical debt, and such
20 individual fails to make 4 or more consecu-
21 tive monthly payments under such repay-
22 ment program or otherwise declines to par-
23 ticipate in such repayment program; and

24 “(iii) such debt collector agrees to
25 abide by the limitations described in sub-

1 paragraphs (A) and (B) for such hospital
2 with respect to such medical debt; and

3 “(D) in the case that the hospital has re-
4 ceived the necessary information to make the
5 determination described in paragraph
6 (2)(C)(iii), if the hospital determines that the
7 household income of such individual was not in
8 excess of 250 percent of the poverty line for the
9 size of the family involved for the most recent
10 taxable year at the time the items or services
11 that are the subject of such medical debt were
12 furnished, the hospital—

13 “(i) does not impose an annual inter-
14 est rate with respect to such payment; and

15 “(ii) does not sell or assign such med-
16 ical debt to a debt collector.

17 “(4) MONITORING COMPLIANCE.—

18 “(A) AUDITS.—Beginning January 1,
19 2027, and not less frequently than annually
20 thereafter, the Secretary shall conduct an audit
21 of a random sample of hospitals to determine
22 whether each such hospital is in compliance
23 with the requirements of paragraph (1).

24 “(B) ONLINE PORTAL.—Not later than
25 January 1, 2026, the Secretary shall establish

1 a secure internet website portal (or other suc-
2 cessor technology) to permit individuals to re-
3 port the noncompliance of a hospital with the
4 requirements of paragraph (1), including non-
5 compliance with the limitations described in
6 subparagraphs (A) and (B) of paragraph (3) of
7 a debt collector to which the hospital has sold
8 or assigned medical debt.

9 “(5) DEFINITIONS.—In this subsection:

10 “(A) DEBT COLLECTOR.—The term ‘debt
11 collector’ has the meaning given such term in
12 section 803(6) of the Fair Debt Collection
13 Practices Act (15 U.S.C. 1692a(6)).

14 “(B) MEDICAL DEBT.—The term ‘medical
15 debt’ means, with respect to items or services
16 furnished by a hospital to an individual, the
17 debt (as defined in section 803(5) of the Fair
18 Debt Collection Practices Act (15 U.S.C.
19 1692a(5))) of such individual for such items or
20 services.”.

21 **SEC. 3. MEDICAL DEBT RELIEF PROGRAM.**

22 Part P of title III of the Public Health Service Act
23 (42 U.S.C. 280g et seq.) is amended by adding at the end
24 the following new section:

1 **“SEC. 399V-8. MEDICAL DEBT RELIEF GRANT PROGRAM.**

2 “(a) IN GENERAL.—Not later than 1 year after the
3 date of the enactment of this section, the Secretary shall
4 establish a program under which the Secretary may make
5 grants to not more than 1 eligible nonprofit organization
6 to acquire and discharge the medical debt (as defined by
7 the Secretary) of eligible individuals in accordance with
8 this section.

9 “(b) APPLICATION.—An eligible nonprofit seeking a
10 grant under this section shall submit an application at
11 such time, in such form, and containing such information
12 as the Secretary may require.

13 “(c) USE OF FUNDS.—Amounts provided under a
14 grant under this section shall be used to—

15 “(1) identify eligible individuals; and

16 “(2) acquire and discharge the medical debt of
17 such individuals.

18 “(d) NOTICE AND REPORTING REQUIREMENTS.—

19 “(1) NOTICE REQUIREMENT.—Not later than
20 60 days after an eligible nonprofit organization that
21 has received a grant under this section acquires and
22 discharges the medical debt of an eligible individual
23 under subsection (c), such eligible nonprofit organi-
24 zation shall notify such individual of such acquisition
25 and discharge.

1 “(2) REPORTING REQUIREMENT.—Not less fre-
2 quently than once per calendar quarter, an eligible
3 nonprofit organization that has received a grant
4 under this section shall submit to the Secretary a re-
5 port containing the following information with re-
6 spect to the preceding calendar quarter:

7 “(A) The actions taken by the eligible non-
8 profit organization to identify eligible individ-
9 uals.

10 “(B) The number of eligible individuals
11 whose medical debt was acquired and dis-
12 charged by the eligible nonprofit organization,
13 and the amount of medical debt so acquired
14 and discharged.

15 “(C) Such other information as the Sec-
16 retary may require.

17 “(e) DEFINITIONS.—In this section:

18 “(1) ELIGIBLE INDIVIDUAL.—The term ‘eligible
19 individual’ means an individual with medical debt if,
20 for the most recent taxable year—

21 “(A) such medical debt is equivalent to 5
22 percent or more of the modified adjusted gross
23 income of such individual; or

1 “(B) the household income of such indi-
2 vidual is not in excess of 400 percent of the
3 poverty line for the size of the family involved.

4 “(2) ELIGIBLE NONPROFIT ORGANIZATION.—
5 The term ‘eligible nonprofit organization’ means a
6 nonprofit organization with the mission of relieving
7 individuals of their medical debt, as determined by
8 the Secretary.

9 “(3) IRC TERMS.—The terms ‘household in-
10 come’, ‘modified adjusted gross income’, and ‘pov-
11 erty line’ have the meaning given each such term in
12 section 36B of the Internal Revenue Code of 1986
13 (26 U.S.C. 36B).

14 “(f) FUNDING.—There is authorized to be appro-
15 priated for purposes of carrying out this section
16 \$100,000,000 for fiscal year 2025, to remain available
17 until expended.”.

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