

HOUSE RESEARCH

Bill Summary

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Currently, IRS regulations prohibit a nonprofit hospital from taking extraordinary collection efforts against a patient until the hospital has notified the patient about their financial assistance policy and made reasonable efforts to determine if the patient qualifies for aid under that policy. “Extraordinary collection efforts” are defined under the code of federal regulations as actions that include the following: sale of the debt to a third party, adverse credit reporting, denial of treatment, and judicial actions to recover the debt.

This bill allows a patient to bring an action to enjoin a nonprofit hospital’s extraordinary collection efforts if the hospital has not provided a written financial assistance policy to the patient. In addition, the bill provides that a patient who prevails in securing an injunction is entitled to attorney’s fees and costs.

This bill incorporates the definitions of “extraordinary collection efforts,” “financial assistance policy,” and “nonprofit hospital,” as they are found in the code of federal regulations.