

**Subject** Billing for health care services; collection of medical debt

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## Overview

This bill establishes requirements for billing for health care services and collection of medical debt. The bill requires health care providers to make available policies for collection of medical debt, prohibits health care from being denied due to medical debt, establishes requirements for billing and payments for miscoded health services, limits the use of revenue recapture to collect medical debt, prohibits credit reporting of medical debt, prohibits certain acts by collecting parties related to the collection of medical debt, establishes interest for medical debt owed to a health care provider at four percent, and eliminates joint and several liability for necessary medical services.

## Summary

Section	Description
1	<p><b>Definitions.</b></p> <p>Adds § 62J.805. Defines the following terms for sections on policies for medical debt collection, denial of health care due to outstanding medical debt, and billing for miscoded health care: health care provider, health plan, hospital, group practice, medically necessary, miscode, and payment.</p>
2	<p><b>Policy for collection of medical debt.</b></p> <p>Adds § 62J.806. Requires a health care provider to make available to the public, the provider's policy on collection of medical debt from patients. Specifies how the policy must be made available, and requires the policy to at least specify the procedures for communicating with patients about medical debt owed and collecting medical debt, referring medical debt to a collection agency or law firm, and identifying medical debt as uncollectable or satisfied and ending collection activities.</p>
3	<p><b>Denial of health treatments or services due to outstanding medical debt.</b></p> <p>Adds § 62J.807. Prohibits a health care provider from denying medically necessary health treatments or services to a patient or any member of the patient's family because of outstanding medical debt owed by the patient or the patient's family. As</p>

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a condition of providing medically necessary health treatments or services to a patient who owes medical debt to the provider, allows a provider to require the patient to enroll in a payment plan.

4 **Billing and payment for miscoded health treatments and services.**

Adds § 62J.808. Prohibits health care providers and health plan companies from billing patients, or accepting payment from patients, for miscoded health treatments or services, until after the coding has been reviewed and any miscoding has been corrected.

**Subd. 1. Participation and cooperation required.** Requires health care providers to participate in, and cooperate with, processes to identify, review, and correct coding of health treatments and services that were miscoded.

**Subd. 2. Notice; billing and payment during review.** Requires a health care provider and health plan company who receive notice or determine that a health treatment or service may have been miscoded, to notify the patient that a miscoding review is being conducted and that the patient will not be billed for or be required to submit payments for the treatment or service subject to the review, until the review is complete. During the review, prohibits the provider and health plan company from billing the patient or accepting payment from the patient for any treatment or service being reviewed.

**Subd. 3. Billing and payment after completion of review.** Allows a health care provider and health plan company to bill the patient for, and accept payment from the patient for, the health treatment or service that was being reviewed only after the review is complete and any miscoded treatments or services have been correctly coded.

5 **Definitions.**

Amends § 144.587, subd. 1. Strikes a definition of revenue recapture for a section establishing requirements for patient screening for eligibility for health coverage or assistance. This definition is being stricken to conform with the amendment to section 270A.03, subd. 2, which prohibits municipal hospitals, hospital districts, and ambulance services from using revenue recapture to recover patient debts.

6 **Prohibited actions.**

Amends § 144.587, subd. 4. In a subdivision prohibiting hospitals from taking certain actions until the hospital determines the patient is ineligible for charity care or denies an application for charity care, strikes a reference to revenue recapture to conform with the amendment to section 270A.03, subd. 2, and strikes a clause prohibiting a hospital from denying health care services to a patient or a member of the patient's household due to outstanding medical debt. Requires a hospital to

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	comply with section 62J.807, which prohibits a health care provider from denying medically necessary health treatments or services to a patient or any member of the patient's family because of outstanding medical debt but allows a provider to require such a patient to enroll in a payment plan as a condition of providing care.
7	<b>Claimant agency.</b> Amends § 270A.03, subd. 2. Amends the definition of claimant agency for the revenue recapture program administered by the Department of Revenue, to prohibit municipal hospitals, municipal ambulance services, hospital districts, and any ambulance service licensed under chapter 144E from using the revenue recapture program to have an individual's tax refund withheld and transferred to apply those funds to debts owed to these entities.
8	<b>Medical debt credit reporting prohibited.</b> Adds § 332.371. Prohibits a consumer reporting agency from making a consumer report concerning medical information, or concerning debt arising from the provision of medical care.
9	<b>Definitions.</b> Adds § 332C.01. For a chapter on collection of medical debt, defines the following terms: collecting party, debtor, medical debt, and person.
10	<b>Prohibited practices.</b> Adds § 332C.02. Prohibits a collecting party from the following: <ul style="list-style-type: none"><li>▪ Threatening wage garnishment or a legal suit by a particular lawyer, unless the collecting party has retained the lawyer;</li><li>▪ Using sheriffs or other officers to serve legal papers related to collecting a claim, except when performing legally authorized duties;</li><li>▪ Using or threatening to use collection methods that violate Minnesota law;</li><li>▪ Providing legal advice to debtors, or representing that the collecting party is able to provide legal advice to debtors;</li><li>▪ Falsely using the stationery of a lawyer or using forms or instruments that only lawyers are permitted to prepare or which resemble the form and appearance of judicial process;</li><li>▪ Publishing or publicizing debtor lists in one of the listed ways;</li><li>▪ Falsely implying the collecting party is associated with a branch of government;</li><li>▪ Holding itself out as a debt settlement company, debt management company, debt adjustment, or similar entity;</li></ul>

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- Violating federal rules when attempting to collect on an account, bill, or debt;
- Communicating with a debtor using an automatic telephone dialing system or artificial or prerecorded voice after the debtor has asked the collecting party to cease these activities;
- Implying medically necessary health treatments or services will be denied because of a medical debt;
- Using a neighbor or third party to ask the debtor to contact the collecting party, with certain exceptions;
- When attempting to collect a medical debt, failing to provide the debtor with the full name of the collecting party;
- Failing to return overpayments to the debtor;
- Accepting payments without issuing a receipt;
- Attempting to collect any amount not expressly authorized in the agreement creating the medical debt or otherwise permitted by law;
- Falsifying any documents with the intent to deceive;
- Failing to include certain disclosures when contacting a debtor by mail;
- Commencing a legal action to collect a medical debt after the statute of limitations has run;
- Reporting medical debt to a credit reporting agency; or
- Challenging a debtor's claim of exemption to garnishment or levy in bad faith.

**11 Defending medical debt cases.**

Adds § 332C.04. Authorizes a debtor who prevails in a case involving a claim for payment of a medical debt to be awarded costs, including reasonable attorney fees, incurred in defending against the claim for debt payment.

**12 Enforcement.**

Adds § 332C.06. Allows the attorney general to enforce this chapter under section 8.31. Specifies damages a collecting party must pay to a debtor if the collecting party violates this chapter: actual damages, additional damages of up to \$1,000 per violation, costs and reasonable attorney fees, and for willful and malicious violations, three times the actual damages and additional damages amounts. Provides for adjustment of the maximum amount of additional damages every even-numbered year based on changes to the Consumer Price Index.

**13 Contracts for medical care.**

Adds subd. 4 to § 334.01. Provides interest for a debt owed to a health care provider for health treatment and services must be at a rate of four percent.

Section	Description
14	<b>Liability of spouses.</b> Amends § 519.05. Strikes language making spouses who live together jointly and severally liable for medical services provided to either spouse and necessary household articles and supplies provided to and used by the family.



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