

APPENDIX Selected Recent State Action Related to Medical Debt Protections

State	Regulation of billing and collections practices					Protections related to medical debt lawsuits			
	Payment plan requirement	Limits on interest	Preconditions before sending a bill to collections	Limits on credit reporting	Limits on selling debt	Statute of limitations – three years or shorter	Preconditions before initiating legal action to collect on medical debt	Limits on liens and foreclosures	Limits on wage garnishment
Connecticut: SB 395		✓	✓	✓		✓ ¹		✓	✓
Delaware: SB 8	✓	✓+	✓	*	*	✓	✓	✓	✓+
Florida: HB 7089				*	*	✓	✓	UH	✓
Illinois: S 2933	✓	✓	✓	✓			✓	✓	✓
Maine: SP 908; LD 2115		✓+		✓			✓		*
Maryland ² : HB 328	✓			✓	✓	✓		✓	✓
New Jersey: A 3861	✓	✓	✓ ³	✓	*		✓		✓
New York ⁴ : SB 4907; SB 8307	✓ ⁵	⁶	✓	✓	✓	✓	✓	✓	✓+
Oklahoma: HB 4148						✓ ⁷	✓	UH	
Oregon: SB 1595		✓	✓					⁸	* ⁹
Rhode Island: SB 2709; HB 7103				✓			✓	✓	✓
Virginia: HB 34; HB 1370	✓			✓		✓			*

Notes: This table includes protections enacted between September 2023 and the end of July 2024. The newly enacted protections are highlighted in orange.

Payment plan requirement: Identifies states that require hospitals to offer payment plans and states that also set limits on monthly payment amounts and interest that can be charged on these payment plans.

Limits on interest: All states have general usury laws that limit the amount of interest than can be charged on any oral or written agreement.

* Identifies states that generally cap interest on medical debt, and those that also prohibit medical debt for certain low-income populations.

✓+ Identifies states that fully prohibit interest on medical debt.

Preconditions before sending a bill to collections: Identifies states that require hospitals to follow certain conditions before they can send a bill to collections. Conditions might include waiting periods, prior patient notification, offer of a reasonable payment plan, screening for financial assistance, or a prohibition on sending bills of certain low-income patients to collections.

Limits on credit reporting:

* Identifies states that allow providers to report medical debt to credit reporting agencies if certain conditions are met.

✓ Identifies states that either prohibit providers from reporting medical debt to credit reporting agencies or prohibit credit reporting agencies from reporting medical debt on credit reports.

Limits on selling debt:

* Identifies states that limit sale of medical debt. Limitations might include waiting periods or setting standards for debt buyers.

✓ Identifies states that prohibit the sale of medical debt for some or all patients.

Statute of limitations – three years or shorter: Identifies states that require creditors to initiate any legal action to collect on medical debt within three years.

Preconditions before initiating legal action to collect on medical debt: Identifies states that require creditors to fulfill certain conditions before being able to initiate legal action to collect on medical debt.

Limits on liens and foreclosures: Identifies states that exceed federal protections against placing liens or foreclosing on homes to collect on medical debt.

UH Identifies states with an unlimited homestead exemption.

✓ Identifies states that prohibit or limit the ability to place a lien or foreclose on a home.

Limits on wage garnishment: Identifies states that exceed federal protections against wage garnishment to collect on medical debt.

* Identifies states that protect a larger proportion of wages than federal law does.

✓ Identifies states that prohibit wage garnishment for certain populations or during certain times of demonstrated financial need.

✓+ Identifies states that fully prohibit wage garnishment for all patients.

1. Three years for oral contracts; six years for written contracts.
2. Newly enacted legislation in Maryland prohibits hospitals from considering anything other than household monetary assets above \$100,000 (excluding retirement assets) when making financial assistance eligibility determinations.
3. Newly enacted legislation in New Jersey further limits the circumstances under when providers can send an unpaid bill to collections.
4. New York already had a payment plan requirement in place as of September 2023, but since then, the state has further limited how much patients can be asked to pay monthly under a payment plan.
5. In addition to the protections represented in the table above, between September 2023 and August 2024, New York also strengthened its financial assistance standards and reporting requirements for hospitals. See the interactive map for more information.
6. Newly enacted legislation in New York limits the amount of interest that can be charged on payment plans to 2 percent.
7. Three years for oral contracts; five years for written contracts.
8. Newly enacted legislation in Oregon increased its homestead exemption from \$40,000 to \$150,000.
9. Newly enacted legislation in Oregon increased the amount of wages it exempts from garnishment.