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Date: (Filing No. S-)

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
SENATE
131ST LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 925, L.D. 2174, “An Act to Protect Consumers from Predatory Medical Credit Card Providers”

Amend the bill by striking out the title and substituting the following:

'An Act to Increase Consumer Protections for Consumers with Medical Debt'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 9-A MRSA §5-116-A, sub-§1, as enacted by PL 2009, c. 526, §1, is repealed and the following enacted in its place:

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Arrange for or establish an application" means the act of a health care provider receiving application information from a consumer for open-end credit or a loan and submitting that application information to a lender for approval or rejection.

B. "Deferred interest provision" means a contractual provision that allows for interest to be charged on portions of the original balance of open-end credit or a loan.

C. "Health care provider" means a:
(1) Hospital, clinic, clinical laboratory or other health care facility that provides health care services that is licensed, registered or authorized to provide health care services in this State; and
(2) Physician, health care practitioner or other individual licensed, registered or certified to provide health care services in this State.

"Health care provider" does not include a veterinarian or any facility licensed, registered or authorized to provide veterinary services in this State.

D. "Open-end credit" has the same meaning as in section 1-301, subsection 26.

Sec. 2. 9-A MRSA §5-116-A, sub-§5 is enacted to read:

COMMITTEE AMENDMENT

1 **5. Use of open-end credit and loans in health care settings; requirements.** The
2 following requirements apply to the use of open-end credit and loans in a health care
3 setting.

4 A. A health care provider may not arrange for or establish an application for open-end
5 credit or a loan for a consumer in a treatment or recovery room, except that a health
6 care provider may state or disclose what forms of payment are accepted for health care
7 services provided to a consumer and how a consumer can receive more information
8 about payment for health care services.

9 B. A health care provider may not, on a consumer's behalf, arrange for or establish an
10 application for open-end credit or a loan that contains a deferred interest provision.

11 C. A health care provider may not accept payment for the costs of health care services
12 using open-end credit or a loan that contains a deferred interest provision at any time
13 prior to the date upon which the health care services are rendered or any costs are
14 incurred, except in circumstances when advance payment is required to secure a lower
15 price for health care services.

16 D. A health care provider may not advertise or promote open-end credit or a loan as
17 having a zero interest rate if the open-end credit or loan has a deferred interest rate
18 unless the presence of a deferred interest provision is clearly disclosed with the
19 advertisement or promotional material and the health care provider also includes
20 educational material explaining deferred interest to the consumer with the
21 advertisement or promotional material.

22 **Sec. 3. 10 MRSA §1310-H, sub-§4**, as enacted by PL 2019, c. 77, §2, is amended
23 to read:

24 **4. Reporting of medical expenses debt on a consumer report.** Notwithstanding any
25 provision of federal law, a consumer reporting agency shall comply with the following
26 provisions with respect to the reporting of medical expenses debt on a consumer report. For
27 the purposes of this subsection, "medical debt" means debt arising from the provision of
28 any health care services, including dental services, or health care products, including
29 devices, durable medical equipment or prescription drugs, to a consumer. "Medical debt"
30 does not include debt arising from the provision of services by a veterinarian; debt charged
31 to a credit card unless the credit card is issued under an open-end credit or closed-end credit
32 plan offered solely for the payment of health care services; debt charged to a home equity
33 or general purpose line of credit; or secured debt.

34 A. A consumer reporting agency may not report medical debt from medical expenses
35 on a consumer's consumer report when the date of the first delinquency on the debt is
36 less than 180 days prior to the date that the debt is reported.

37 B. Upon the receipt of reasonable evidence from the consumer, creditor or debt
38 collector that a medical debt from medical expenses has been settled in full or paid in
39 full, a consumer reporting agency shall remove or suppress the report of medical debt
40 on the consumer's consumer report.

41 (1) May not report that debt from medical expenses; and

42 (2) Shall remove or suppress the report of that debt from medical expenses on the
43 consumer's consumer report.

1 C. As long as the consumer is making regular, scheduled periodic payments toward
 2 the medical debt ~~from medical expenses~~ reported to the consumer reporting agency as
 3 agreed upon by the consumer and medical provider, the consumer reporting agency
 4 shall report that medical debt ~~from medical expenses~~ on the consumer's consumer
 5 report in the same manner as debt related to a consumer credit transaction is reported.

6 **Sec. 4. Appropriations and allocations.** The following appropriations and
 7 allocations are made.

8 **PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF**
 9 **Administrative Services - Professional and Financial Regulation 0094**

10 Initiative: Provides allocations to establish one Consumer Credit Examiner position to
 11 examine health care providers to ensure compliance with open-end credit and loan
 12 requirements.

13	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
14	All Other	\$0	\$4,618
15			
16	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$4,618

17 **Bureau of Consumer Credit Protection 0091**

18 Initiative: Provides allocations to establish one Consumer Credit Examiner position to
 19 examine health care providers to ensure compliance with open-end credit and loan
 20 requirements.

21	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
22	POSITIONS - LEGISLATIVE COUNT	0.000	1.000
23	Personal Services	\$0	\$84,940
24	All Other	\$0	\$5,922
25			
26	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$90,862

27

28 **PROFESSIONAL AND FINANCIAL**
 29 **REGULATION, DEPARTMENT OF**
 30 **DEPARTMENT TOTALS**

31		2023-24	2024-25
32	OTHER SPECIAL REVENUE FUNDS	\$0	\$95,480
33			
34	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$95,480

35

36 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
 37 number to read consecutively.

38 **SUMMARY**

39 This amendment, which is the minority report of the committee, replaces the bill and
 40 changes the title. The amendment does the following.

1 1. It prohibits the reporting of medical debt on a consumer's credit report by a consumer
2 reporting agency.

3 2. It prohibits a health care provider from arranging for or establishing an application
4 for open-end credit or a loan that contains a deferred interest provision in a treatment or
5 recovery setting except that a provider is not prohibited from stating or disclosing what
6 forms of payment for health care services are accepted and how a consumer can receive
7 more information about forms of payment.

8 3. It prohibits a health care provider from arranging for or establishing open-end credit
9 or a loan application on a consumer's behalf if the product contains a deferred interest
10 provision.

11 4. It prohibits a health care provider from accepting payment for the costs of health
12 care services using open-end credit or a loan that contains a deferred interest provision at
13 any time prior to the date upon which the health care services are rendered or any costs are
14 incurred, except in circumstances when advance payment is required to secure a lower price
15 for health care services.

16 5. It prohibits a health care provider from advertising or promoting open-end credit or
17 a loan as having a zero interest rate if the open-end credit or loan has a deferred interest
18 rate unless the presence of a deferred interest provision is clearly disclosed with the
19 advertisement or promotional material and the health care provider also includes
20 educational material explaining deferred interest to the consumer with the advertisement
21 or promotional material.

22 **FISCAL NOTE REQUIRED**

23 **(See attached)**