

1 **HEALTH CARE DEBT COLLECTION NOTICE AMENDMENTS**

2 2019 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Kelly B. Miles**

5 Senate Sponsor: Ann Millner

7 **LONG TITLE**

8 **General Description:**

9 This bill amends provisions relating to health care debt collection.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ permits a health care provider to provide certain notices regarding health care debt
13 collections by first class mail or by email under certain circumstances.

14 **Money Appropriated in this Bill:**

15 None

16 **Other Special Clauses:**

17 None

18 **Utah Code Sections Affected:**

19 AMENDS:

20 **31A-26-313**, as enacted by Laws of Utah 2018, Chapter 203

22 *Be it enacted by the Legislature of the state of Utah:*

23 Section 1. Section **31A-26-313** is amended to read:

24 **31A-26-313. Health care collection actions -- Notification required.**

25 (1) As used in this section:

26 (a) (i) "Collection action" means any action taken to recover funds that are past due or
27 accounts that are in default:

28 (A) for health care services; and

29 (B) that directly results in an adverse report to a credit bureau.

30 (ii) "Collection action" includes using the services of a collection agency to engage in
31 collection action.

32 (iii) "Collection action" does not include:

33 (A) billing or invoicing for funds that are not past due or accounts that are not in
34 default; or

35 (B) providing the notice required in this section.

36 (b) "Credit bureau" means a consumer reporting agency as defined in 15 U.S.C. Sec.
37 1681a.

38 (c) "Text message" means a real time or near real time message that consists of text
39 and is transmitted to a device identified by a telephone number.

40 (2) (a) Before engaging in a collection action, a health care provider:

41 (i) shall, after the day on which the period of time for an insurer to pay or deny a claim
42 without penalty, described in Section 31A-26-301.6, expires, send a notice described in
43 Subsection (3) to the insured by certified mail with return receipt requested, priority mail, first
44 class mail, email, or text message; and

45 (ii) for a Medicare beneficiary or retiree 65 years of age or older, shall, after the date
46 that Medicare determines Medicare's liability for the claim, send a notice described in
47 Subsection (3) to the insured by certified mail with return receipt requested, priority mail, first
48 class mail, or text message.

49 (b) A health care provider may not engage in a collection action before the date
50 described in Subsection (3)(b) for that collection action.

51 (3) The notice described in Subsection (2)(a) shall state:

52 (a) the amount that the insured owes;

53 (b) the date by which the insured must pay the amount owed that is:

54 (i) at least 45 days after the day on which the health care provider sends the notice; or

55 (ii) if the insured is a Medicare beneficiary or retiree 65 years of age or older, at least
56 60 days after the day on which the health care provider sends the notice;

57 (c) that if the insured fails to timely pay the amount owed, the health care provider or a

58 third party may make a report to a credit bureau or use the services of a collection agency; and

59 (d) that each action described in Subsection (3)(c) may negatively impact the insured's
60 credit score.

61 (4) A health care provider is not subject to the requirements described in Subsection
62 (2) if the health care provider complies with the provisions of 26 C.F.R. Sec. 1.501(r)-6.

63 (5) A health care provider that contracts with a third party to engage in a collection
64 action is not subject to the requirements described in Subsection (2) if:

65 (a) entering into the contract does not require a report to a credit bureau by either the
66 health care provider or the third party; and

67 (b) the third party agrees to provide the notice in accordance with Subsection (2) before
68 the third party may engage in any activity that directly results in a report to a credit bureau.

69 (6) If a third party fails to comply with the notice requirements described in this
70 section, the health care provider that renders the health care service is liable for any penalty
71 resulting from the noncompliance of the third party.