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MEDICAL DEBT RELIEF

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Nate Blouin

House Sponsor: _____

LONG TITLE

General Description:

This bill requires the Department of Workforce Services to contract with one or more medical debt relief entities for the purchase and forgiveness of medical debt.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates the Medical Debt Relief Restricted Account;
- ▶ requires the Department of Workforce Services to contract with one or more medical debt relief entities for the purchase and forgiveness of medical debt; and
- ▶ requires the Department of Workforce Services to report to the Health and Human Services Interim Committee on medical debts forgiven.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2024:

- ▶ to the Department Workforce Services – Medical Debt Relief – Medical Debt Relief – as a one-time appropriation:
 - from the General Fund, One-time, \$100,000.

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:



- 28 [35A-17-101](#), Utah Code Annotated 1953
- 29 [35A-17-102](#), Utah Code Annotated 1953
- 30 [35A-17-103](#), Utah Code Annotated 1953



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

33 Section 1. Section **35A-17-101** is enacted to read:

34 **35A-17-101. Definitions.**

35 As used in this chapter:

36 (1) "Creditor" means:

- 37 (a) a health care provider to whom a medical debt is owed; or
- 38 (b) a person that has purchased a medical debt once owed to a health care provider.

39 (2) "Health care provider" means the same as that term is defined in Section

40 [78B-3-403](#).

41 (3) "Medical debt" means a Utah resident's debt for goods or services provided by a
42 health care provider.

43 (4) "Medical debt relief entity" means a nonprofit entity that:

- 44 (a) purchases medical debt from creditors; and
- 45 (b) forgives the medical debt.

46 (5) "Medical Debt Relief Restricted Account" means the account created in Section
47 [35A-17-102](#).

48 Section 2. Section **35A-17-102** is enacted to read:

49 **35A-17-102. Medical Debt Relief Restricted Account.**

50 (1) There is created within the General Fund a restricted account known as the
51 "Medical Debt Relief Restricted Account."

52 (2) The Medical Debt Relief Restricted Account consists of:

- 53 (a) appropriations by the Legislature;
- 54 (b) contributions by government entities, individuals, or other persons; and
- 55 (c) interest earned on the account.

56 (3) Funds in the Medical Debt Relief Restricted Account may only be used to fund
57 medical debt relief in accordance with Section [35A-17-103](#).

58 Section 3. Section **35A-17-103** is enacted to read:

59 **35A-17-103. Medical debt relief.**

60 (1) Within appropriations by the Legislature from the Medical Debt Relief Restricted
61 Account, the department shall contract with one or more medical debt relief entities for the
62 purchase and forgiveness of medical debt.

63 (2) The department shall report to the Health and Human Services Interim Committee
64 in September of each even-numbered year on debts purchased and forgiven under Subsection
65 (1), without disclosing information that could be used to identify individual debtors or
66 creditors.

67 (3) The department may use funds appropriated from the Medical Debt Relief
68 Restricted Account to pay for the costs of administering contracts under Subsection (1).

69 **Section 4. Appropriation.**

70 The following sums of money are appropriated for the fiscal year beginning July 1,
71 2023, and ending June 30, 2024. These are additions to amounts previously appropriated for
72 fiscal year 2024. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
73 Act, the Legislature appropriates the following sums of money from the funds or accounts
74 indicated for the use and support of the government of the state of Utah.

75 ITEM 1

76 To Department of Workforce Services - Medical Debt Relief

77 From General Fund, One-time 100,000

78 Schedule of Programs:

79 Medical Debt Relief 100,000