

Senate Bill 626

By: Senator Hufstetler of the 52nd

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 7 of Title 31 of the Official Code of Georgia Annotated, relating to
2 regulation and construction of hospitals and other health care facilities, so as to provide for
3 certain consumer financial assistance and protections with regard to medical debt arising
4 from certain healthcare services received by patients at hospitals; to provide a short title; to
5 provide definitions; to provide for the Department of Community Health to publish on its
6 website a uniform sample financial assistance policy, screening tool, and application form;
7 to provide for hospital implementation; to provide for requirements prior to billing; to
8 provide for compliance; to provide for copayments and deductibles; to provide for notice on
9 hospital bills; to provide for an appeal of financial assistance eligibility or charity care
10 determination; to provide for incorrect determination protections; to prohibit certain
11 financing products; to provide for payment plans; to prohibit debt collection under certain
12 circumstances; to provide for enforcement; to provide for rules and regulations; to provide
13 for related matters; to repeal conflicting laws; and for other purposes.

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

15

SECTION 1.

16 Chapter 7 of Title 31 of the Official Code of Georgia Annotated, relating to regulation and
17 construction of hospitals and other health care facilities, is amended by adding a new article
18 to read as follows:

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"ARTICLE 1720 31-7-450.21 This chapter shall be known and may be cited as the 'Georgia Medical Debt Fairness Act.'22 31-7-451.23 As used in this article, the term:24 (1) 'Debt collector' means any person that regularly collects or attempts to collect,
25 directly or indirectly, debts for another person or entity or uses some name other than its
26 own when collecting debts.27 (2) 'Emergency medical services' means physical or mental health care services rendered
28 for a medical or traumatic condition, sickness, or injury, including a mental health
29 condition or substance use disorder, in which a person is exhibiting acute symptoms of
30 sufficient severity, including, but not limited to, severe pain, regardless of the initial,
31 interim, final, or other diagnoses that are given, that would lead a prudent layperson
32 possessing an average knowledge of medicine and health to believe that his or her
33 condition, sickness, or injury is of such a nature that failure to obtain immediate medical
34 care could result in:35 (A) Placing the patient's health in serious jeopardy;36 (B) Serious impairment to bodily functions; or37 (C) Serious dysfunction of any bodily organ or part.

38 (3) 'Healthcare services' means services for the diagnosis, prevention, treatment, cure,
39 or relief of a physical, mental, or behavioral health condition, illness, injury, or disease,
40 including mental health and substance abuse disorders. Such term includes but is not
41 limited to emergency medical services or nonemergency medical services and the
42 provision of pharmaceutical products or services and durable medical equipment or other
43 devices.

44 (4) 'Hospital' means a publicly or privately owned hospital licensed pursuant to this
45 chapter. Such term includes any hospital, nonprofit hospital, or hospital owned or
46 operated by a hospital authority or a nonprofit corporation formed, created, or operated
47 by or on behalf of a hospital authority.

48 (5) 'Medical debt' means an amount owed by a patient to a hospital for healthcare
49 services received at the hospital or to the hospital's agent or assignee.

50 31-7-452.

51 (a) No later than January 1, 2027, the department shall create and post in a prominent
52 location on its website a uniform sample financial assistance policy, screening tool, and
53 application form for hospital implementation pursuant to this article.

54 (b) The uniform financial assistance policy under subsection (a) of this Code section shall
55 include but not be limited to:

56 (1) Eligibility criteria for financial assistance and whether such assistance includes
57 discounted or charity care;

58 (2) The basis for calculating amounts charged to patients;

59 (3) The method for applying for financial assistance;

60 (4) The actions that may be taken in the event of nonpayment; and

61 (5) The information obtained from sources other than an individual seeking financial
62 assistance that a hospital may use and whether and under what circumstances a hospital

63 may use prior eligibility determinations to presumptively determine that a patient is
64 eligible for financial assistance.

65 (c) Each hospital shall implement financial assistance policies, screening tools, application
66 forms, and procedures that comply with this article. Any such policy shall apply to all
67 healthcare services received by a patient at the hospital, unless such services were provided
68 by an independent healthcare provider that bills separately from such hospital. The
69 implementation required by this subsection shall apply whether or not a hospital is required
70 to develop a financial assistance policy under 26 U.S.C. Section 501(r)(4) and
71 implementing regulations.

72 31-7-453.

73 (a) All hospitals, prior to billing a patient receiving healthcare services at such hospital,
74 shall:

75 (1) Screen the patient for financial assistance eligibility using a screening tool as
76 provided for in Code Section 31-7-452; provided, however, that such patient may decline
77 to provide information to the hospital;

78 (2) Provide the patient with a financial assistance application form as provided for Code
79 Section 31-7-452 and offer to assist in completing such form; provided, however, that
80 such patient may decline to complete such form;

81 (3) Automatically enroll any such patient who qualifies for financial assistance; and

82 (4) Automatically apply any discounts available to any such patient.

83 (b)(1) No hospital shall deliver any bill to a patient receiving healthcare services at such
84 hospital prior to complying with the requirements provided for in subsection (a) of this
85 Code section. A hospital shall be deemed compliant with paragraph (1) of subsection (a)
86 of this Code section if the hospital has screened the patient for financial assistance
87 eligibility, has updated financial assistance eligibility information on the patient at least

88 once within the calendar year, or has documented that the patient has declined to provide
89 information to the hospital.

90 (2) The prohibition provided for in this subsection shall not preclude a hospital from
91 collecting any copayment or deductible at the time of providing a healthcare service.

92 (c) Each bill sent to a patient receiving healthcare services at a hospital shall include notice
93 of the availability of financial assistance, the contact information for the office or
94 department of the hospital that can provide information about obtaining financing
95 assistance, and a link to the financial assistance policy for such hospital.

96 (d) A patient may apply for financial assistance or charity care if such patient was screened
97 for eligibility and found not to be eligible or was screened and found to be eligible but such
98 patient disagrees with the amount of charity care.

99 (e) If a hospital makes an incorrect financial assistance eligibility determination based on
100 information provided by the patient or available to the hospital at the time of such
101 determination, such hospital shall:

102 (1) Credit to such patient's account the amount of charity care for which the patient
103 qualified and reimburse any other associated reasonable costs incurred by the patient in
104 securing charity care, including but not limited to reasonable legal expenses and fees; and

105 (2) If such hospital transferred such patient's medical debt to a debt collector or
106 authorized a debt collector to collect such debt on behalf of the hospital, such hospital
107 shall notify such debt collector that such medical debt is no longer valid.

108 31-7-454.

109 (a) No hospital shall offer financing products, including but not limited to consumer credit
110 cards or installment loans, to a patient for medical debt arising from healthcare services
111 provided at such hospital if such products include an interest rate greater than 1 percent of
112 such medical debt.

113 (b) A hospital may offer a payment plan to a patient for medical debt arising from
114 healthcare services provided at such hospital only after the hospital is in compliance with
115 all provisions in subsection (a) of Code Section 31-7-453 and exhausts all other coverage
116 and payment options available for such patient; provided, however, that no such payment
117 plan shall result in fees, late charges, maintenance charges, or interest rate greater than
118 1 percent of the medical debt for the duration of the medical debt.

119 31-7-455.

120 (a) No hospital shall pursue collections against a patient for medical debt arising from
121 healthcare services provided to such patient at such hospital unless the hospital complies
122 with all provisions in subsection (a) of Code Section 31-7-453 and exhausts all other
123 coverage and payment options available for the patient.

124 (b) No hospital shall pursue collections against a patient for medical debt arising from
125 healthcare services provided to such patient at such hospital while the patient is appealing
126 insurance coverage, applying for financial assistance, applying for charity care, appealing
127 a determination regarding eligibility for or the amount of charity care, negotiating a bill
128 within such medical debt, or participating in a payment plan offered by the hospital.

129 31-7-456.

130 The department shall enforce this article and promulgate rules and regulations required to
131 administer this Code section."

132 **SECTION 2.**

133 All laws and parts of laws in conflict with this Act are repealed.