

SPONSOR: Sen. Mantzavinos & Sen. Townsend & Rep. K. Williams & Rep. Minor-Brown
Sens. Hansen, Hoffner, Huxtable, Lockman, Pinkney, Sokola, Walsh; Reps. Burns, K. Johnson, Lambert, Morrison, Osienski, Snyder-Hall

DELAWARE STATE SENATE
153rd GENERAL ASSEMBLY

SENATE SUBSTITUTE NO. 1
FOR
SENATE BILL NO. 156
AS AMENDED BY
SENATE AMENDMENT NO. 1
AND
SENATE AMENDMENT NO. 2
AND
HOUSE AMENDMENT NO. 1

AN ACT TO AMEND TITLE 6 OF THE DELAWARE CODE RELATING TO THE MEDICAL DEBT PROTECTION ACT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Chapter 25J, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2501J. Purpose.

This chapter is known as the "Medical Debt Protection Act." <u>This chapter acknowledges that medical debt may be burdensome to individuals regardless of their socioeconomic status and that medical debts may be unexpected. It is the intent of the General Assembly that medical debt should not be used when making decisions regarding an individual's credit, employment, or housing.</u> The purpose of this chapter is to reduce burdensome medical debt and to protect patients in their dealings with medical creditors, medical debt buyers, and medical debt collectors with respect to such debt. This chapter is to be construed as a consumer protection statute and must be liberally and remedially construed to effectuate its purposes.

§ 2502J. Definitions.

For purposes of this chapter:

(4) "Extraordinary collection action" means any of the following:

a. Selling an individual's debt to another party, except if, prior to the sale, the medical creditor has entered into a legally binding written agreement with the medical debt buyer of the debt under which all of the following apply:

1. The medical debt buyer or collector is prohibited from engaging in any extraordinary collection

SD : AVP : CBK : 4761530116 Released: 06/30/2025 11:44 PM
DLS : HVW : CBM : 5081530111

actions to obtain payment for the care.

2. The medical debt buyer is prohibited from charging interest on the debt.

3. The debt is returnable to or recallable by the medical creditor upon a determination by the medical creditor or medical debt buyer that the individual is eligible for financial assistance.

4. The medical debt buyer is required to adhere to procedures which must be specified in the agreement that ensure that the individual does not pay, and has no obligation to pay, the medical debt buyer and the medical creditor together more than they are personally responsible for paying in compliance with this chapter.

5. The medical debt buyer is prohibited from communicating with, or reporting, any medical debt information to any consumer reporting agency regarding a consumer's medical debt.

(11) "Medical debt" means the following:

a. Debt owed by a consumer that is both of the following:

1. Owed to a person whose primary business is providing health-care services.

2. For the provision of medical services, products, or devices.

b. Medical debt includes medical bills that are not past due or have already been paid.

c. Medical debt does not include debt charged to a credit card unless the credit card is issued under an open-end or closed-end credit plan offered specifically for the payment of health-care services.

~~(11)~~ (12) "Medical debt buyer" means an individual or entity that is engaged in the business of purchasing medical debts for collection purposes, whether it collects the debt itself or hires a third party for collection or an attorney for litigation in order to collect such debt.

~~(12)~~ (13) "Medical debt collector" means any person that regularly collects or attempts to collect, directly or indirectly, medical debts originally owed or due or asserted to be owed or due another. A medical debt buyer is a medical debt collector. Medical debt collector does not include the Division of Child Support Services or an individual filing a child support action under Title 13. Medical debt collector does not include anyone collecting debt charged to a credit card.

~~(13)~~ (14) "Patient" means the individual who received health-care services, and for the purposes of this chapter, includes a parent if the patient is a minor or a legal guardian if the patient is an adult under guardianship.

~~(14)~~ (15) "Time of service" means before a patient leaves or is discharged from a large health-care facility, or within 10 days of discharge if the patient receives emergency care from a large health-care facility or from a provider employed by a large health-care facility.

§ 2507J. Medical debt and consumer reporting agencies.

~~(a) For a period of 1 year following the date when the consumer was first given a bill for medical debt or 3 months following the date of the most recent payment made towards a payment plan on medical debt, whichever is later, no medical creditor or medical debt collector may communicate with or report any information to any consumer reporting agency regarding such medical debt.~~

~~(b) After the time period described in subsection (a) of this section, medical creditors and medical debt collectors must give consumers at least 1 additional bill before reporting a medical debt to any consumer reporting agency. The amount reported to the consumer reporting agency must be the same as the amount stated in this bill, and such bill must state that the debt is being reported to a consumer reporting agency. Medical debt collectors must also provide the notice required by 15 U.S.C. § 1692g before reporting a debt to a consumer reporting agency.~~

(a) No person may report any medical debt to a consumer reporting agency.

(b) A consumer reporting agency is prohibited from making a consumer report that the consumer reporting agency knows or should know contains information related to a consumer's medical debt.

Section 2. This act takes effect 90 days following its enactment into law.