

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 79

Session of
2025

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GREEN, RABB, WAXMAN, D. WILLIAMS, STEELE AND McNEILL,
JANUARY 10, 2025

AS REPORTED FROM COMMITTEE ON HEALTH, HOUSE OF REPRESENTATIVES,
AS AMENDED, APRIL 9, 2025

AN ACT

~~1 Establishing the Medical Debt Relief Program; establishing~~ <--
~~2 requirements for hospital based financial assistance; and~~
~~3 imposing duties on the Department of Health.~~
4 ESTABLISHING REQUIREMENTS FOR HOSPITAL-BASED FINANCIAL <--
5 ASSISTANCE; PROVIDING FOR HOSPITAL-BASED FINANCIAL ASSISTANCE
6 FORMS, FOR INFORMATION ABOUT HOSPITAL-BASED FINANCIAL
7 ASSISTANCE PROGRAMS AND FOR REPORTING OF HOSPITAL-BASED
8 FINANCIAL ASSISTANCE POLICIES; AND IMPOSING DUTIES ON THE
9 DEPARTMENT OF HEALTH.

10 The General Assembly of the Commonwealth of Pennsylvania

11 hereby enacts as follows:

12 Section 1. Short title.

13 This act shall be known and may be cited as the ~~Medical Debt~~ <--
14 ~~Relief~~ HOSPITAL-BASED FINANCIAL ASSISTANCE Act. <--

15 Section 2. Definitions.

16 The following words and phrases when used in this act shall
17 have the meanings given to them in this section unless the
18 context clearly indicates otherwise:

~~"Bad debt expense." The cost of care for which a health care provider expected payment from the patient or a third party payor, but which the health care provider or commercial debt collection agency subsequently determines to be uncollectible.~~

"Department." The Department of Health of the Commonwealth.

"Eligible patient." An individual who meets all of the following requirements:

(1) Is a resident of this Commonwealth.

(2) Can demonstrate an inability to pay the cost of medical care even after the application of payments for third-party health coverage.

(3) Provides financial information and documentation showing that their income and assets make them eligible for hospital-based financial assistance under the policies of the hospital and of this act.

~~"Eligible resident." An individual eligible for relief who meets all of the following conditions:~~

~~(1) Is a resident of this Commonwealth.~~

~~(2) Has a household income at or below 400% of the Federal poverty guidelines or has medical debt equal to 5% or more of the individual's household income.~~

~~"Health care provider." Either of the following:~~

~~(1) A health care provider, as defined in section 1201 of the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921.~~

~~(2) An emergency medical services agency, as defined in 35 Pa.C.S. § 8103 (relating to definitions).~~

"HOSPITAL." A NONPROFIT OR PRIVATE HOSPITAL IN THIS COMMONWEALTH.

"Hospital-based financial assistance." Financial assistance

1 provided by hospitals to patients that includes charity care or
2 discounted care where the cost of care ordinarily charged by a
3 hospital is provided free of charge or at a reduced rate or a
4 hospital relieves an eligible patient's medical bill in part or
5 in full based on eligibility criteria.

6 ~~"Medical debt." An obligation to pay money arising from the~~ <--
7 ~~receipt of health care services.~~

8 ~~"Medical debt relief." The discharge of a patient's medical~~
9 ~~debt.~~

10 ~~"Medical debt relief coordinator." A person, company,~~
11 ~~partnership or other entity that is able to discharge medical~~
12 ~~debt of an eligible resident in a manner that does not result in~~
13 ~~a taxable event for the eligible resident.~~

14 ~~"Primary language." A language that is the preferred~~
15 ~~language for communication during at least 5% of the annual~~
16 ~~patient visits by patients who do not have the proficiency in~~
17 ~~English necessary to speak, read and write about health care~~
18 ~~related matters.~~

19 ~~"Program." The Medical Debt Relief Program established under~~
20 ~~section 3.~~

21 ~~"Public health coverage option." A program administered by~~
22 ~~the Department of Human Services, including Medical Assistance~~
23 ~~and the Children's Health Insurance Program, and by the~~
24 ~~Pennsylvania Health Insurance Exchange Authority.~~

25 ~~Section 3. Medical Debt Relief Program.~~

26 ~~(a) Establishment and purpose. The Medical Debt Relief~~
27 ~~Program is established within the department for the purpose of~~
28 ~~discharging medical debt of eligible residents by contracting~~
29 ~~with a medical debt relief coordinator as described in~~
30 ~~subsection (c).~~

~~(b) Use of money. Money appropriated to the department for the program shall be used exclusively for the program, including contracting with a medical debt relief coordinator and providing money to be used by the medical debt relief coordinator to discharge medical debt of eligible residents. Money used in contracting with a medical debt relief coordinator may also be used for the payment of services provided by the medical debt relief coordinator to discharge medical debt of eligible residents based on a budget approved by the department.~~

~~(c) Contracts.~~

~~(1) The department is authorized to and shall enter into a contract with a medical debt relief coordinator to purchase and discharge medical debt owed by an eligible resident with money allocated for the program.~~

~~(2) The department shall implement a competitive bidding process to determine which medical debt relief coordinator to use, unless the department determines that only a single medical debt relief coordinator has the capacity and willingness to carry out the duties specified in this act.~~

~~(3) In contracting with the department, a medical debt relief coordinator shall adhere to the following:~~

~~(i) The medical debt relief coordinator shall review the medical debt accounts of each commercial debt collection agency or health care provider willing to sell medical debt accounts in this Commonwealth.~~

~~(ii) The medical debt relief coordinator may elect to buy the dischargeable medical debt from the commercial debt collection agency or health care provider that identifies the accounts described in subparagraph (i) as a bad debt expense.~~

~~(iii) After the purchase and discharge of medical debt from a commercial debt collection agency or health care provider, the medical debt relief coordinator shall notify all eligible residents whose medical debt has been discharged under the program, in a manner approved by the department, that they no longer have specified medical debt owed to the relevant health care provider or commercial debt collection agency.~~

~~(iv) A medical debt relief coordinator shall make a best effort to ensure parity and equity in the purchasing and discharging of medical debt to ensure that all eligible residents have an equal opportunity of receiving medical debt relief regardless of their geographical location or identities and characteristics as identified in section 2 of the act of October 27, 1955 (P.L.744, No.222), known as the Pennsylvania Human Relations Act.~~

~~(v) A medical debt relief coordinator shall report to the department the summary statistics regarding eligible residents whose medical debt has been discharged.~~

~~(vi) A medical debt relief coordinator may not attempt to seek payment from an eligible resident for medical debt purchased by the medical debt relief coordinator.~~

~~(4) A medical debt relief coordinator shall continue to fulfill its contractual obligations to the department until all money contracted to the medical debt relief coordinator is exhausted, regardless of whether money allocated to the program has been exhausted.~~

~~(d) Breach of contract. If a medical debt relief~~

~~coordinator attempts to seek payment from an eligible resident
for medical debt purchased by the medical debt relief
coordinator or fails to carry out the responsibilities described
in its contract with the department, the medical debt relief
coordinator shall be considered in breach of contract and the
contract provisions that apply in the case of a breach of
contract shall apply.~~

~~Section 4. Reporting on program.~~

~~(a) Requirement. Beginning one year after the effective
date of this section and annually thereafter for as long as
medical debt relief coordinators are fulfilling their
contractual obligations under this act, the department shall
submit an annual report regarding the program in accordance with
this section.~~

~~(b) Contents. Each report under this section shall contain
the following information for the annual period covered by the
report:~~

~~(1) The amount of medical debt purchased and discharged
under the program.~~

~~(2) The number of eligible residents who received
medical debt relief under the program.~~

~~(3) The characteristics of the eligible residents as
described in section 3(c)(3)(iv).~~

~~(4) The number and characteristics of health care
providers from whom medical debt was purchased and
discharged.~~

~~(5) The number of eligible residents whose income was
calculated at 100%, 150% or 200% of the Federal poverty
level.~~

~~(6) The number of and characteristics of medical debt~~

~~relief coordinators contracted with for the purposes of purchasing and discharging medical debt.~~

~~(c) Submittal. Each report under this section shall be submitted to the following:~~

~~(1) The Governor.~~

~~(2) The President pro tempore of the Senate.~~

~~(3) The Speaker of the House of Representatives.~~

~~(4) The Majority Leader and Minority Leader of the Senate.~~

~~(5) The Majority Leader and Minority Leader of the House of Representatives.~~

~~(6) The chairperson and minority chairperson of the Health and Human Services Committee of the Senate.~~

~~(7) The chairperson and minority chairperson of the Health Committee of the House of Representatives.~~

~~Section 5. Hospital based financial assistance forms and policies.~~

~~(a) Forms. The department shall develop the following forms and make them available to hospitals and the general public:~~

~~(1) A uniform application for financial assistance that shall be used in every hospital in this Commonwealth to determine if an individual is an eligible patient.~~

~~(2) A uniform one page template all hospitals shall use to summarize eligibility information for financial assistance. At a minimum, the summary shall include:~~

~~(i) Income eligibility guidelines for hospital based financial assistance expressed as both a percent of the Federal Poverty Income Guidelines and a dollar amount based on common household sizes.~~

~~(ii) Information about the limits on amounts and~~

~~type of assets.~~

~~(iii) Information on income eligibility guidelines for a public health coverage option expressed as both a percent of the Federal Poverty Income Guidelines and a dollar amount based on common household sizes and how to apply for those coverage options.~~

~~(iv) Contact information for how to apply for hospital based financial assistance and how to get help applying for hospital based financial assistance.~~

~~(3) A brief uniform statement of the availability of hospital based financial assistance and of the application for hospital based financial assistance to be stated prominently on hospital materials.~~

~~(b) Development of form. The department shall include input from hospitals and the general public in developing the forms described in subsection (a) (1).~~

~~(c) Accessibility of forms. Each form outlined in subsection (a) shall be:~~

~~(1) Written in plain language at a sixth grade reading level.~~

~~(2) Translated by the department into all primary languages identified by a hospital.~~

~~(3) Made accessible by the hospital to individuals with visual impairments upon request.~~

~~(4) Posted by hospitals online in a publicly accessible format. A full copy of the hospital's financial assistance policies shall also be published along with the summary in subsection (a) (2).~~

~~(d) Disclosure to patients.~~

~~(1) A hospital shall provide the form discussed in~~

1 ~~subsection (a) (2) to all patients upon intake and discharge.~~
2 ~~Additionally, a hospital shall place the uniform statement~~
3 ~~provided for in subsection (a) (3) on all bills, billing~~
4 ~~statements, good faith estimates, admittance forms and~~
5 ~~discharge paperwork.~~

6 ~~(2) A hospital shall provide a full copy of its~~
7 ~~financial assistance policies upon request.~~

8 ~~(3) A hospital shall provide assistance understanding~~
9 ~~and completing a financial assistance application upon~~
10 ~~request.~~

11 ~~(c) Alignment with public health coverage options.~~

12 ~~(1) Hospitals shall use the income counting rules and~~
13 ~~household composition rules consistent with 42 CFR 435.603~~
14 ~~(relating to application of modified adjusted gross income~~
15 ~~(MAGI)) and shall adjust their policies according to rules~~
16 ~~within 180 days after the effective date of this paragraph.~~

17 ~~(2) The Department of Human Services shall explore a~~
18 ~~process for connecting the uniform application for financial~~
19 ~~assistance with the department's electronic eligibility~~
20 ~~system in order to evaluate an applicant's eligibility for a~~
21 ~~public health coverage option.~~

22 ~~(3) A patient seeking financial assistance may provide~~
23 ~~the following financial information and documentation in~~
24 ~~support of their application:~~

25 ~~(i) paychecks or pay stubs;~~

26 ~~(ii) unemployment documentation;~~

27 ~~(iii) Social Security income;~~

28 ~~(iv) rent receipts;~~

29 ~~(v) a letter from the patient's employer attesting~~
30 ~~to the patient's gross income;~~

~~(vi) copies of recent tax returns; or~~
~~(vii) if none of the aforementioned information and~~
~~documentation are available, a written self attestation~~
~~of the patient's income.~~

~~(4) Hospitals may provide hospital based financial~~
~~assistance to any patient who is already enrolled in the~~
~~Supplemental Nutrition Assistance Program (SNAP), Special~~
~~Supplemental Nutrition Program for Women, Infants and~~
~~Children (WIC) or Low Income Home Energy Assistance Program~~
~~(LIHEAP), based on presumptive eligibility through use of~~
~~electronic verification data.~~

~~(5) Upon submission of a completed application form, the~~
~~patient is not liable for any bills until the hospital has~~
~~rendered a decision on the application.~~

~~Section 6. Tax applicability.~~

~~The amount of interest and principal balance of medical debt~~
~~discharged under the program shall not be included in the~~
~~classes of income identified in section 303 of the act of March~~
~~4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.~~

~~Section 7. Effective date.~~

~~This act shall take effect immediately.~~

SECTION 3. HOSPITAL-BASED FINANCIAL ASSISTANCE FORMS. <--

(A) FORMS.--THE DEPARTMENT SHALL DEVELOP THE FOLLOWING FORMS
AND MAKE THEM AVAILABLE TO HOSPITALS AND THE GENERAL PUBLIC:

(1) A UNIFORM APPLICATION FOR FINANCIAL ASSISTANCE THAT
SHALL BE USED IN EVERY HOSPITAL IN THIS COMMONWEALTH TO
DETERMINE IF AN INDIVIDUAL IS AN ELIGIBLE PATIENT.

(2) A UNIFORM ONE-PAGE TEMPLATE ALL HOSPITALS SHALL USE
TO SUMMARIZE EACH HOSPITAL'S ELIGIBILITY INFORMATION FOR
HOSPITAL-BASED FINANCIAL ASSISTANCE.

1 (3) A BRIEF UNIFORM STATEMENT OF THE AVAILABILITY OF
2 HOSPITAL-BASED FINANCIAL ASSISTANCE AND OF THE APPLICATION
3 FOR HOSPITAL-BASED FINANCIAL ASSISTANCE.

4 (B) DEVELOPMENT OF FORM.--THE DEPARTMENT SHALL INCLUDE INPUT
5 FROM HOSPITALS AND THE GENERAL PUBLIC IN DEVELOPING THE FORMS
6 DESCRIBED IN SUBSECTION (A) (1), (2) AND (3).

7 (C) TIME FRAME.--THE DEPARTMENT SHALL DEVELOP THE FORMS
8 WITHIN 180 DAYS OF THE EFFECTIVE DATE OF THIS SUBSECTION.

9 SECTION 4. INFORMATION ABOUT HOSPITAL-BASED FINANCIAL
10 ASSISTANCE PROGRAMS.

11 (A) ACCESSIBILITY OF FORMS.--EACH FORM OUTLINED IN SECTION
12 3(A) SHALL BE POSTED BY HOSPITALS ONLINE IN A PUBLICLY
13 ACCESSIBLE FORMAT. A FULL COPY OF THE HOSPITAL'S FINANCIAL
14 ASSISTANCE POLICIES SHALL ALSO BE PUBLISHED ALONG WITH THE
15 SUMMARY IN SECTION 3(A) (2).

16 (B) DISCLOSURE TO PATIENTS.--A HOSPITAL SHALL PROVIDE THE
17 FORM DISCUSSED IN SECTION 3(A) (2) TO ALL PATIENTS UPON INTAKE
18 AND DISCHARGE. ADDITIONALLY, A HOSPITAL SHALL PLACE THE UNIFORM
19 STATEMENT PROVIDED FOR IN SECTION 3(A) (3) ON ALL BILLS, BILLING
20 STATEMENTS, GOOD FAITH ESTIMATES, ADMITTANCE FORMS AND DISCHARGE
21 PAPERWORK.

22 (C) LIABILITY FOR BILLS.--UPON SUBMISSION OF A COMPLETED
23 APPLICATION FOR HOSPITAL-BASED FINANCIAL ASSISTANCE, THE PATIENT
24 SHALL NOT BE LIABLE FOR ANY BILLS UNTIL THE HOSPITAL HAS
25 RENDERED A DECISION ON THE APPLICATION.

26 SECTION 5. REPORTING OF HOSPITAL-BASED FINANCIAL ASSISTANCE
27 POLICIES.

28 ALL HOSPITALS THAT HAVE A HOSPITAL-BASED FINANCIAL ASSISTANCE
29 POLICY SHALL PROVIDE A FULL COPY OF THE HOSPITAL'S FINANCIAL
30 ASSISTANCE POLICIES AND THE SUMMARY SPECIFIED IN SECTION 3(A) (2)

1 TO THE DEPARTMENT FOR PLACEMENT ON THE DEPARTMENT'S PUBLICLY
2 ACCESSIBLE INTERNET WEBSITE.

3 SECTION 6. APPLICABILITY.

4 THIS ACT SHALL APPLY TO EACH HOSPITAL WITH A HOSPITAL-BASED
5 FINANCIAL ASSISTANCE POLICY.

6 SECTION 7. EFFECTIVE DATE.

7 THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

8 (1) SECTIONS 4 AND 5 SHALL TAKE EFFECT IN 270 DAYS.

9 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
10 IMMEDIATELY.