

HOUSE No. 4809

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, December 8, 2025.

The committee on Consumer Protection and Professional Licensure, to whom were referred the petition (accompanied by bill, House, No. 419) of John J. Lawn, Jr., and James C. Arena-DeRosa relative to alleviating the burden of medical debt for patients and families; the petition (accompanied by bill, House, No. 476) of Bud L. Williams and Carlos González relative to medical debt exclusion from creditor reports; and the petition (accompanied by bill, House, No. 4073) of David Henry Argosky LeBoeuf relative to medical debt reporting and collection, reports recommending that the accompanying bill (House, No. 4809) ought to be pass.

For the committee,

TACKEY CHAN.

HOUSE No. 4809

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act alleviating the burden of medical debt for patients and families.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 93 of the General Laws, as appearing in the 2024 Official Edition,
2 is hereby amended by inserting after section 24K the following section:-

3 Section 24L. A consumer who successfully defends themselves against a civil action to
4 collect an alleged debt brought by a creditor, a debt collector or a third party loan servicer shall
5 be entitled to reasonable attorneys' fees and costs.

6 SECTION 2. The second paragraph of section 49 of said chapter 93 of the General Laws,
7 as so appearing, is hereby amended by adding the following paragraph:-

8 (e) For a medical debt, the creditor: (i) uses an automatic call or robocall; (ii)
9 communicates or implies that medical care will be withheld from the alleged debtor until the
10 medical debt is paid; (iii) fails to advise the alleged debtor of the option to contact an attorney or
11 contact the attorney general; or (iv) violates any other provision of this section.

SECTION 3. Subsection (a) of section 52 of chapter 93 of the General Laws, as so appearing, is hereby amended by striking out clause (6) and inserting in place thereof the following 2 clauses:-

(6) Any item of information concerning medical debt, as defined by section 1 of chapter 93M.

(7) Any other adverse item of information which antedates the report by more than seven years.

SECTION 4. Subsection (b) of said section 52 of said chapter 93, as so appearing, is hereby amended by striking, in line 18, the words “The provisions of subsection (a)” and inserting in place thereof the following words:- Except as provided in clause (6), the provisions of subsection (a).

SECTION 5. The General Laws are hereby amended by inserting after chapter 93L the following chapter:-

CHAPTER 93M.

MEDICAL DEBT PROTECTION ACT.

Section 1. As used in this chapter, the following words shall have the following meanings unless the context clearly requires otherwise:

“Consumer”, a natural person, provided, that “consumer” shall include a parent if the consumer is a minor, or a legal guardian if the consumer is an adult under guardianship.

“Consumer reporting agency”, as defined in section 50 of chapter 93.

“Debt buyer”, an individual or entity that is engaged in the business of purchasing consumer debt 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.

“Disposable earnings”, the remaining portion of a consumer’s wages, salary or compensation for personal services, including bonuses and commissions, or otherwise, and includes payments pursuant to a pension or retirement program or deferred compensation plan, after deducting from such earnings those amounts required by law to be withheld.

“External review”, a review of an adverse benefit determination, including a final internal adverse benefit determination, and any applicable state external review process, conducted pursuant to section 16 of chapter 6D and chapter 176O, a federal external review process as described at 42 U.S.C. § 300gg-19, a review pursuant to 29 U.S.C. 1133, a Medicare appeals process, a Medicaid appeals process conducted pursuant to chapter 118E and the provisions of 103 CMR 613.00, or another applicable appeals process.

“Extraordinary collection action”, any action that require a legal or judicial process, including any of the following: (1) placing a lien on a consumer’s property; (2) attaching or seizing a consumer’s bank account or any other personal property; (3) commencing a civil action against a consumer; or (4) garnishing a consumer’s wages.

“Health care entity”, as defined in section 1 of 6D.

“Health care professional”, as defined in section 1 of 176O.

“Health care provider”, as defined in section 1 of 176O.

“Health care services”, as defined in section 1 of 6D. For the purposes of this chapter, these services shall include, but not be limited to, any care, procedures, products, supplies, devices or medications.

“Medical creditor”, any person who offers or extends credit creating a medical debt or to whom a medical debt is owed for health care services.

"Medical debt", any debt incurred or any obligation owed directly to a health care entity, health care professional, or health care provider for the payment of money arising out of any agreement or contract, express or implied, for the provision of health care services. Medical debt includes debt charged to a credit card or other credit instrument, on or after January 1, 2025, under an open-end or closed-end credit plan offered specifically to pay for health care services.

“Medical debt collector”, any person that regularly collects or attempts to collect, directly or indirectly, medical debt originally owed or due or asserted to be owed or due another.

Section 2. (a) Notwithstanding any general or special law to the contrary, no medical creditor or medical debt collector shall sell medical debt to a debt buyer.

(b) Notwithstanding any general or special law to the contrary, no medical creditor or medical debt collector shall report any item of information concerning medical debt to a consumer reporting agency.

(c) Notwithstanding any general or special law to the contrary, the following extraordinary collections actions shall not be used by any medical creditor or medical debt collector to collect debts owed for health care services: (1) causing a consumer’s arrest; (2)

causing a consumer to be subject to a writ of body attachment or capias; (3) foreclosing on a consumer's real property.

Section 3. (a) No medical creditor or medical debt collector shall engage in any permissible extraordinary collection actions until 180 days after the first bill for a medical debt has been sent.

(b) At least 30 days before taking any extraordinary collection actions, a medical creditor or medical debt collector must provide to the patient a notice: (1) identifying the extraordinary collection actions that will be initiated in order to obtain payment; and (2) providing a date after which such extraordinary collection actions will be initiated which may be no earlier than 30 days after the date of the notice.

Section 4. (a) No medical creditor or medical debt collector that knows or should have known about an internal review, external review, or other appeal of a health insurance decision that is pending now or was pending within the previous 60 days shall: (1) communicate with the consumer regarding the unpaid charges for health care services for the purpose of seeking to collect the charges; (2) initiate a lawsuit or arbitration proceeding against the consumer relative to unpaid charges for health care services; or (3) refer, place or send the medical debt to a medical debt collector.

Section 5. (a) Except as provided in subsection (b), if a plaintiff prevails in an action to collect a medical debt, interest computed pursuant to section 6C of chapter 231 or section 8 of chapter 235 shall be limited to a fixed rate of interest of 12 per cent per annum.

(b) For actions to collect a medical debt, judgments entered on or after January 1, 2026, or where an application for renewal of judgment is filed on or after January 1, 2026, interest shall

be limited to a fixed rate of 3 per cent per annum. Nothing in this subsection shall be construed to require any interest which accrued at a higher interest rate prior to January 1, 2026, to be recalculated or reduced to the new 3 per cent rate. Judgments issued prior to January 1, 2026, with an interest rate other than 3 per cent per annum shall not be required to be amended or reissued by the courts.

Section 6. (a) Notwithstanding section 34 of chapter 235, the following property of a consumer obligated to pay any medical debt shall be exempt from seizure on execution:

(i) estates of homestead as defined in chapter 188;

(ii) \$5,000 in cash or savings or other deposits in a banking or investment institution;

(iii) an automobile not exceeding \$15,000 of wholesale resale value; provided, however, that the wholesale resale value of a vehicle owned or substantially used by consumer or a dependent who is either a disabled person or a person 60 years of age or older shall be entirely exempt; and

(iv) income from child support payments.

(b) The property subject to the exemptions in this section shall be adjusted annually by the Secretary of the Commonwealth of Massachusetts, beginning on January 1, 2026 and thereafter on January 1 of each successive year by the increase in the cost of living as measured by the percentage increase as of August of the immediately preceding year over the level as of August of the previous year of the consumer price index for all urban consumers, or its successor index as published by the United States department of labor, bureau of labor statistics, or its successor agency, with the amount of the exemption rounded up to the nearest \$100.

Section 7. (a) Notwithstanding section 34 of chapter 235, if a consumer's earnings are attached to satisfy a judgment for collection of a medical debt, wages equal to the greater of 90 per cent of the debtor's disposable earnings or 65 times the greater of the federal minimum hourly wage under U.S.C. section 206(a)(1) or the state minimum hourly wage under section 1 of chapter 151 in effect at the time shall be exempt from the attachment and not subject to garnishment. This exemption shall be adjusted pro rata for a pay period that is more than weekly.

(b) An employer shall not take adverse action against an employee or refuse to hire a consumer because of one or more garnishments for medical debts or because of obligations that any garnishments impose against the employer. An employer who violates this section shall be liable in a civil action, action for contempt or other appropriate proceeding to the employee or consumer for the wages and employment benefits lost by the employee or consumer from the time of the unlawful discipline, suspension, refusal to hire or discharge to the period of reinstatement and an additional penalty of not more than \$1,000.

Section 8. Failure to comply with any provision of this chapter, or any regulation promulgated in accordance with the provisions of this chapter, shall constitute an unfair or deceptive act or practice under the provisions of paragraph (a) of section 2 of chapter 93A.

SECTION 6. Chapter 111 of the General Laws is hereby amended by inserting after section 2J the following section:-

Section 2K. (a) No hospital, acute care hospital, clinic or other health care facility licensed pursuant to this chapter shall deny a person medically necessary health care solely by reason of the person's unpaid medical debt.

136 (b) A hospital, acute care hospital, clinic or other health care facility licensed pursuant to
137 this chapter shall make publicly available on its website its medical debt collection policies.

138 SECTION 7. Chapter 112 of the General Laws is hereby amended by inserting after
139 section 1B the following section:-

140 Section 1C. (a) No health care provider licensed, registered or certified pursuant to this
141 chapter shall deny a person medically necessary health care solely by reason of the person's
142 unpaid medical debt.

143 (b) A health care provider licensed, registered or certified pursuant to this chapter shall
144 make available to patients their policy on medical debt collection.

145 SECTION 8. Chapter 93M of the General Laws shall apply to consumer medical debts
146 incurred and contracts that take effect or are renewed on or after January 1, 2027.

147 SECTION 9. This act shall take effect on October 1, 2026.