

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

John J. Cronin

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

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

PETITION OF:

NAME:

John J. Cronin

DISTRICT/ADDRESS:

Worcester and Middlesex

SENATE No.

[Pin Slip]

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 347 OF 2023-2024.]

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. Subsection (a) of section 52 of chapter 93 of the General Laws, as
2 appearing in the 2022 Official Edition, is hereby amended by striking out clause (6) and inserting
3 in place thereof the following 2 clauses:-

4 (6) Any item of information concerning medical debt, as defined by section 1 of chapter
5 93M.

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

8 SECTION 2. Subsection (b) of said section 52 of said chapter 93, as so appearing, is
9 hereby amended by striking, in line 18, the words “The provisions of subsection (a)” and

10 inserting in place thereof the following words:- Except as provided in clause (6), the provisions
11 of subsection (a).

12 SECTION 3. The General Laws are hereby amended by inserting after chapter 93L the
13 following chapter:-

14 CHAPTER 93M.

15 MEDICAL DEBT PROTECTION ACT.

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

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

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

21 “Debt buyer”, an individual or entity that is engaged in the business of purchasing
22 consumer debt for collection purposes, whether it collects the debt itself or hires a third party for
23 collection or an attorney for litigation in order to collect such debt.

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

28 “External review”, a review of an adverse benefit determination, including a final internal
29 adverse benefit determination, and any applicable state external review process, conducted

30 pursuant to section 16 of chapter 6D and chapter 176O, a federal external review process as
31 described at 42 U.S.C. § 300gg-19, a review pursuant to 29 U.S.C. 1133, a Medicare appeals
32 process, a Medicaid appeals process conducted pursuant to chapter 118E and the provisions of
33 103 CMR 613.00, or another applicable appeals process.

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

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

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

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

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

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

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

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

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

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

58 (c) Notwithstanding any general or special law to the contrary, the following
59 extraordinary collections actions shall not be used by any medical creditor or medical debt
60 collector to collect debts owed for health care services: (1) causing a consumer’s arrest; (2)
61 causing a consumer to be subject to a writ of body attachment or capias; (3) foreclosing on a
62 consumer’s real property.

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

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

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

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

81 (b) For actions to collect a medical debt, judgments entered on or after January 1, 2026,
82 or where an application for renewal of judgment is filed on or after January 1, 2026, interest shall
83 be limited to a fixed rate of 3 per cent per annum. Nothing in this subsection shall be construed
84 to require any interest which accrued at a higher interest rate prior to January 1, 2026, to be
85 recalculated or reduced to the new 3 per cent rate. Judgments issued prior to January 1, 2026,
86 with an interest rate other than 3 per cent per annum shall not be required to be amended or
87 reissued by the courts.

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

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

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

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

96 (iv) income from child support payments.

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

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

110 (b) An employer shall not take adverse action against an employee or refuse to hire a
111 consumer because of one or more garnishments for medical debts or because of obligations that
112 any garnishments impose against the employer. An employer who violates this section shall be
113 liable in a civil action, action for contempt or other appropriate proceeding to the employee or

114 consumer for the wages and employment benefits lost by the employee or consumer from the
115 time of the unlawful discipline, suspension, refusal to hire or discharge to the period of
116 reinstatement and an additional penalty of not more than \$1,000.

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

120 SECTION 4. Chapter 93M of the General Laws shall apply to consumer medical debts
121 incurred and contracts that take effect or are renewed on or after January 1, 2027.

122 SECTION 5. This act shall take effect on October 1, 2025.