

## Joint Committee on Health Care Financing 2025-2026 (194<sup>th</sup>) Bill Summary

<b><u>Bill Number:</u></b>	House, No. 1386
<b><u>Title:</u></b>	AN ACT TO ENSURE UNIFORM AND TRANSPARENT REPORTING OF MEDICAL DEBT DATA
<b><u>Sponsor:</u></b>	Representative John J. Mahoney (Worcester)
<b><u>Hearing Date:</u></b>	May 12, 2025
<b><u>Reporting Deadline:</u></b>	July 11, 2025
<b><u>Prior History:</u></b>	<b>2023-2024</b> (H1222 & S0743) Refile of similar matters, H1222 & S0743, Referred to the Joint Committee on Health Care Financing. Public hearing on September 12, 2023. H1222 reported Ought to Pass, accompanied by S0743, and referred to House Ways & Means on April 18, 2024. No further action taken.
<b><u>Similar Matters:</u></b>	S857 – Edwards (Identical, Health Care Financing)

### **Current Law:**

**Chapter 6D of the General Laws** establishes the Health Policy Commission (HPC) as an independent agency within the Executive Office of Administration and Finance to set health care cost growth goals, enhance provider organization transparency, monitor and review marketplace changes, and establish a health care cost growth benchmark for the average growth in total health care expenditures.

**M.G.L. Ch. 6D § 7, as amended by section 7 of chapter 343 of the acts of 2024, “An Act enhancing the market review process [H5159]”,** directs the HPC to administer the Healthcare Payment Reform Fund for the purpose of supporting the activities of the HPC and to make available financial incentives, grants and other forms of assistance to providers to foster health care innovations in payment and delivery.

**Chapter 12C of the General Laws** establishes the Center for Health Information and Analysis (CHIA) as an independent agency tasked with collecting and analyzing health care data and publishing annual reports on health care costs, cost trends, market power, and quality data in support of the annual health care cost trends hearings conducted by the HPC.

**M.G.L. Ch. 12C § 1** defines certain terms as understood within establishing chapter for the Center for Health Information and Analysis (CHIA).

**M.G.L. Ch. 12C §§ 8 & 9** direct CHIA to ensure uniform reporting by institutional providers, parent organizations, providers, and provider organizations of revenues, charges, costs, price, utilization of services, and other pertinent data necessary to identify health care trends.

**M.G.L. Ch. 12C § 12** declares CHIA to be the sole repository for health care data collected under sections 8, 9 and 10 of Chapter 12C, and directs CHIA to collect, store and maintain such data in a payer and provider claims database, known as the *All Payer Claims Database*, to be accessible to the public as set forth in this section.

**M.G.L. Ch. 93 §§ 24 through 28, inclusive**, governs the licensing and regulation of debt collectors and third party loan servicers under the authority of the commissioner of banks.

**M.G.L. Ch.93 § 49** establishes certain consumer protections from debt collection in an unfair, deceptive or unreasonable manner, as enforced by the Office of the Attorney General (AGO).

**M.G.L. Ch. 93 § 52** contains a list of information that is prohibited from being included in consumer credit reports.

**M.G.L. Ch. 93A § 2** declares that unfair methods of competition or deceptive acts or practices in trade or commerce are unlawful.

**M.G.L. Ch. 111 § 2** directs the commissioner of the Department of Public Health (DPH) to administer all laws and regulations relating to the department. In the performance of their duty, this section requires the secretary of Aging and Independence and the commissioner to jointly develop and submit to the Public Health Council (PHC), pursuant to section 3 of chapter 111, rules and regulations governing the licensure and operation of convalescent or nursing homes, rest homes, infirmaries maintained in a town and charitable homes for the aged.

**M.G.L. Chapter 112** governs the licensing and registration of health care professionals under the authority of DPH, the operation of the boards of registration with oversight over those professions and provides the statutory basis for the professional scope of practice for licensed health professionals.

**940 CMR 7.00** is the AGO regulations to establish standards, by defining unfair or deceptive acts or practices, for the collection of debts from persons within the Commonwealth.

**957 CMR 6.00** is the CHIA regulations governing filing requirements for certain providers to report their costs and other data.

**957 CMR 8.00** is the CHIA regulations pertaining to the operation of the All Payer Claims Database.

**957 CMR 9.00** is the CHIA regulations governing financial reporting requirements for acute and non-acute hospitals, including their parent organization and physician organizations for the submissions of hospital cost reports, charge books, and quarterly and annual financial data filings.

**Summary:**

**SECTION 1** of the proposed legislation amends subsection (d) of section 7 of chapter 6D by adding to the list of approved uses of HPC grants financed through the Healthcare Payment Reform Fund reimbursement to CHIA for funds expended on the uniform medical debt reporting system established in the proposed section 25 of chapter 12C.

**SECTION 2** the proposed legislation amends section 1 of chapter 12C by inserting the following 2 new definitions:

- “Medical debt”, any debt owed for goods or services provided by a medical facility, a provider of health care or a provider of emergency medical services including the financing or an extension of credit by a third party for the sole purpose of purchasing goods or services provided by a medical facility, a provider of health care or a provider of emergency medical services.
- “Significant medical debt”, any medical debt owed by an individual exceeding \$200.

**SECTION 3** of the proposed legislation inserts into Chapter 12C a new Section 25, consisting of the following 6 subsections:

- Subsection (a) directs CHIA, in collaboration with public health council, the boards of registration for providers, the commission board and the state finance and governance board, to develop a uniform and interoperable electronic system of public reporting for providers as a prerequisite condition for advancing overdue medical bills to a debt collection agency.
- Subsection (b) requires that the uniform and interoperable electronic system developed by CHIA include information designed to advise on policy relating to medical debt data that allows for the transparent analysis of demographic data on the rates of medical debt, including, but not limited to the following 16 data sets:
  - (1) race; (2) sex, gender identity, and sexual orientation; (3) disability status; (4) criminal record; (5) health status; (6) family and individual income level; (7) education; (8) nation of origin; (9) region of residence in the commonwealth; (10) individual and family health insurance status; (11) veteran status; (12) age group; (13) chronic condition status; (14) education level; (15) primary language; and (16) times between procedures and reporting of debt to a collection agency.
- Subsection (c) declares the purpose of the uniform medical debt reporting system is to reduce the adverse effects of medical debt and to protect patients in matters related to medical creditors, medical debt buyers, and medical debt collectors with respect to such debt.
- Subsection (d) grants CHIA the authority to centralize the uniform medical debt reporting system or create a central portal for public access to the medical debt data and information. This subsection also requires that CHIA make the uniform medical debt reporting system accessible to other state agencies and authorities including, but not limited to, the HPC, the secretary for the Executive Office of Health and Human Services (EOHHS), DPH, and the state finance and governance board.
- Subsection (e) requires CHIA to make data obtained under this proposed section available to EOHHS prior to releasing data to a collection agency.
- Subsection (f) directs CHIA to coordinate with HPC on the transfer of funds to finance the development and operations for the uniform medical debt reporting system.