

1 AN ACT relating to the reporting of medical debt.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO
4 READ AS FOLLOWS:

5 (1) As used in this section:

6 (a) "Collection entity" means any individual, partnership, corporation, trust,
7 estate, cooperative, association, government or government subdivision,
8 agency, or other entity that either:

9 1. Purchases medical debt; or

10 2. Collects medical debt on behalf of another person;

11 (b) "Consumer reporting agency" means any person who, for monetary fees,
12 dues, or on a cooperative nonprofit basis, regularly engages, in whole or in
13 part, in the practice of assembling or evaluating consumer credit
14 information or other information on consumers for the purpose of
15 furnishing consumer reports or investigative consumer reports to third
16 parties;

17 (c) "Health care professional":

18 1. Means any person that provides health care services, products, or
19 devices; and

20 2. Includes a health facility as defined in KRS 216B.015;

21 (d) "Medical debt":

22 1. Means an obligation or alleged obligation of a consumer to pay any
23 amount related to the receipt of a health care service, product, or
24 device provided to a person by a health care professional; and

25 2. Does not include debt charged to a credit card unless the credit card is
26 issued under an open-ended or closed-ended plan offered specifically
27 for the payment of health care services, products, or devices; and

1 (e) "Person" includes:

2 1. A natural person;

3 2. Any type or form of corporation, company, partnership,
4 proprietorship, association, or other legal entity; and

5 3. A government, governmental subdivision or agency, or other body
6 politic.

7 (2) A health care professional shall not furnish any portion of a medical debt to a
8 consumer reporting agency.

9 (3) A contract between a health care professional and a collection entity for the
10 purchase or collection of medical debt shall include a provision that prohibits the
11 reporting of any portion of the medical debt to a consumer reporting agency.

12 (4) Any portion of a medical debt that is furnished to a consumer reporting agency in
13 violation of this section shall be void and unenforceable.

14 (5) (a) A violation of this section shall be deemed an unfair, false, misleading, or
15 deceptive act or practice in the conduct of trade or commerce in violation of
16 KRS 367.170.

17 (b) All of the remedies, powers, and duties provided to the Attorney General
18 under KRS 367.110 to 367.300, and the penalties provided in KRS 367.990,
19 pertaining to any acts or practices declared unlawful by KRS 367.170, shall
20 apply with equal force and effect to a violation of this section.

21 (6) (a) The remedies and penalties prescribed in this section shall be cumulative.

22 (b) This section shall not be construed to limit or restrict any powers, duties,
23 remedies, or penalties available to the Attorney General, the
24 Commonwealth, or any other person under any other statutory or common
25 law.

26 ➔Section 2. This Act applies to contracts entered into or renewed on or after the
27 effective date of this Act.