

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2026 Regular Session**

Part I: Measure Information

Bill Request #:	956	Bill #:	HB 73
Document ID #:	998	Sponsor:	Rep. Rachel Roarx
Bill Title:	AN ACT relating to interest on medical debt		

Unit of Government: City County Urban-County
 Charter County Consolidated Local Unified Local

Office(s) Impacted: Public Health

Requirement: Mandatory Optional

Effect on Powers & Duties: Modifies Existing Adds New Eliminates Existing

Other Fiscal Statement(s) that may exist: Actuarial Analysis Corrections Impact
 Health Benefit Mandate State Employee Health Plan

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

HB 73 adds a new section to KRS chapter 360 which states that the maximum interest on medical debt cannot exceed three percent (3%) per year. If a hospital or medical facility knowingly takes, receives, reserves, or charges a rate of interest greater than three percent, they must forfeit the entire interest amount of the note.

The fiscal impact of HB 73 is indeterminable, but expected to be negative. There is no set amount for the interest rate charged on medical bills by locally run hospitals in Kentucky. National data on medical debt finds interest rates can vary widely from 6.99% to 35.99%, but information specific to locally run hospitals in Kentucky could not be obtained. However, this bill puts a cap on all medical debt interest at three percent, and will prevent local hospitals from charging more.

Data Source(s): LRC Staff; Morningstar

Preparer: TJ **Reviewer:** HT (MDA) **Date:** 1/8/26