

MAINE STATE LEGISLATURE

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MINORITY

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

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STATE OF MAINE

SENATE

131ST LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "B" to S.P. 908, L.D. 2115, "An Act Requiring Health Care Providers to Engage in Fair Practices When Selling Medical Debt"

Amend the bill by striking out the title and substituting the following:

'An Act to Prohibit Unfair Practices Related to the Collection of Medical Debt'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 32 MRSA §11002, sub-§7-A is enacted to read:

7-A. Medical debt. "Medical debt" means debt arising from health care services, including dental services, or health care goods, including products, devices, durable medical equipment and prescription drugs. "Medical debt" does not include debt arising from services provided by a veterinarian; debt charged to a credit card unless the credit card is issued under an open-end or closed-end credit plan offered solely for the payment of health care services; debt charged to a home equity or general purpose line of credit; or secured debt.

Sec. 2. 32 MRSA §11013, sub-§2, ¶O, as enacted by PL 1985, c. 702, §2, is amended to read:

O. The false representation or implication that documents are not legal process forms or do not require action by the consumer; or

Sec. 3. 32 MRSA §11013, sub-§2, ¶P, as amended by PL 2013, c. 588, Pt. C, §17, is further amended to read:

P. The false representation or implication that a debt collector operates or is employed by a consumer reporting agency, as defined by Title 10, section 1308, subsection 3;

Sec. 4. 32 MRSA §11013, sub-§2, ¶Q is enacted to read:

Q. The false, deceptive or misleading representation or implication that interest will accumulate on the debt principal when the debt collector or collection agency is attempting to collect debt that the debt collector or collection agency knows is medical

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1 debt or to obtain information about a consumer in relation to an attempt to collect
2 medical debt;

3 **Sec. 5. 32 MRSA §11013, sub-§2, ¶R** is enacted to read:

4 R. The false, deceptive or misleading representation or implication that a fee will be
5 charged in connection with the debt when the debt collector or collection agency is
6 attempting to collect debt that the debt collector or collection agency knows is medical
7 debt or to obtain information about a consumer in relation to an attempt to collect
8 medical debt; or

9 **Sec. 6. 32 MRSA §11013, sub-§2, ¶S** is enacted to read:

10 S. The false, deceptive or misleading representation or implication that the debt
11 collector or collection agency will pursue litigation to compel payment of the debt
12 when attempting to collect debt that the debt collector or collection agency knows is
13 medical debt or to obtain information about a consumer in relation to an attempt to
14 collect medical debt.

15 **Sec. 7. 32 MRSA §11013, sub-§3, ¶M**, as enacted by PL 1985, c. 702, §2, is
16 amended to read:

17 M. Engaging in the business of lending money to any person or contacting any person
18 for the purpose of securing a loan for any person with which to pay any claim left with
19 it for collection, or recommending any person or persons as a source of funds to pay
20 any such claim; or

21 **Sec. 8. 32 MRSA §11013, sub-§3, ¶N**, as repealed and replaced by PL 2009, c.
22 245, §8, is amended to read:

23 N. Threatening to bring legal action in the debt collector's own name or instituting a
24 suit on behalf of others or furnishing legal advice, except that a debt collector who is
25 also an attorney may bring an action under this paragraph in the name of the creditor
26 in any division or county permitted by 15 United States Code, Section 1692i and may
27 furnish legal advice to the creditor with respect to a debt;

28 **Sec. 9. 32 MRSA §11013, sub-§3, ¶O** is enacted to read:

29 O. Notwithstanding paragraph A, charging any interest on debt that the debt collector
30 knows is medical debt;

31 **Sec. 10. 32 MRSA §11013, sub-§3, ¶P** is enacted to read:

32 P. Notwithstanding paragraph A, charging any fee in connection with the collection of
33 debt that the debt collector knows is medical debt; or

34 **Sec. 11. 32 MRSA §11013, sub-§3, ¶Q** is enacted to read:

35 Q. Pursuing litigation to compel payment of medical debt without providing proof that
36 the consumer was sent a written notice indicating that litigation may not be pursued
37 when the debt collector or collection agency knows the consumer's household income
38 is not more than 400% of the federal poverty guidelines, as defined by the federal
39 Office of Management and Budget and revised annually, and the debt collector or
40 collection agency provided the consumer with at least 30 days to provide evidence that

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1 the consumer's household income is not more than 400% of the federal poverty
2 guidelines.'

3 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
4 number to read consecutively.

5 **SUMMARY**

6 This amendment, which is the minority report of the committee, replaces the bill and
7 changes the title. The amendment does the following.

8 1. It prohibits debt collectors from charging any interest on debt or fees in connection
9 with the collection of debt that the debt collector knows is medical debt.

10 2. It prohibits debt collectors from pursuing litigation to compel payment of medical
11 debt without providing proof that the consumer was sent a written notice indicating that
12 litigation may not be pursued when the debt collector or collection agency knows the
13 consumer's household income is not more than 400% of the federal poverty guidelines, as
14 defined by the federal Office of Management and Budget and revised annually, and the
15 debt collector or collection agency provided the consumer with at least 30 days to provide
16 evidence that the consumer's household income is not more than 400% of the federal
17 poverty guidelines. The majority report of the committee sets the limit on a consumer's
18 household income at 300% of the federal poverty guidelines, instead of 400%.

19 3. It prohibits debt collectors from making false, deceptive or misleading
20 representations when attempting to collect debt that the debt collector or collection agency
21 knows is medical debt or to obtain information about a consumer in relation to an attempt
22 to collect medical debt that interest will accumulate on the debt principal, that a fee will be
23 charged in connection with the debt or that the debt collector will pursue litigation to
24 compel payment of the debt.

25 **FISCAL NOTE REQUIRED**

26 (See attached)



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LD 2115

LR 2795(03)

An Act Requiring Health Care Providers to Engage in Fair Practices When Selling Medical Debt

Fiscal Note for Bill as Amended by Committee Amendment "B" (5-668)
Committee: Health Coverage, Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund
Minor revenue increase - General Fund

Fiscal Detail and Notes

Any additional costs and increased revenue to the Department of Professional and Financial Regulation from the provisions of this bill are expected to be minor and can be absorbed within existing budgeted resources.