

**SUBSTITUTE FOR  
SENATE BILL NO. 952**

A bill to prohibit hospitals from attempting to collect debts incurred when not in compliance with price transparency laws; and to provide remedies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. This act may be cited as the "hospital price  
2 transparency act".

3           Sec. 2. As used in this act:

4           (a) "Centers for Medicare and Medicaid Services" means the  
5 Centers for Medicare and Medicaid Services in the United States  
6 Department of Health and Human Services.

7           (b) "Collection action" means any of the following actions  
8 taken with respect to a debt for items and services that were  
9 purchased from, or provided to a patient by, a hospital on a date



1 during which the hospital was not in compliance with hospital price  
2 transparency laws:

3 (i) An attempt to collect a debt from a patient or patient  
4 guarantor by referring the debt, directly or indirectly, to a debt  
5 collector, a collection agency, or another third party retained by  
6 or on behalf of the hospital.

7 (ii) Suing the patient or patient guarantor or enforcing an  
8 arbitration or mediation clause in any hospital documents,  
9 including contracts, agreements, statements, or bills.

10 (iii) Directly or indirectly having a report made to a consumer  
11 reporting agency.

12 (c) "Collection agency" means, subject to subdivision (d), a  
13 person that does any of the following:

14 (i) Engages in a business, the principal purpose of which is  
15 the collection of debts.

16 (ii) Regularly collects or attempts to collect, directly or  
17 indirectly, debts owed or due or asserted to be owed or due to  
18 another.

19 (iii) Takes assignment of debts for collection purposes.

20 (iv) Directly or indirectly solicits for the collection of  
21 debts owed or due or asserted to be owed or due to another.

22 (d) Collection agency does not include any of the following,  
23 except as provided in subdivision (e):

24 (i) An officer or employee of a creditor while, in the name of  
25 the creditor, the officer or employee is collecting debts for the  
26 creditor.

27 (ii) A person while acting as a collection agency for another  
28 person, both of whom are related by common ownership or affiliated  
29 by corporate control, if the person acting as a collection agency



1 does so only for creditors to whom it is so related or affiliated  
2 and if the principal business of the person is not the collection  
3 of debts.

4 (iii) An officer or employee of the United States or any state  
5 to the extent that collecting or attempting to collect a debt is in  
6 the performance of the officer's or employee's official duties.

7 (iv) A person while serving or attempting to serve legal  
8 process on another person in connection with the judicial  
9 enforcement of a debt.

10 (v) A person licensed to provide debt management services  
11 under the debt management act, 1975 PA 148, MCL 451.411 to 451.437.

12 (vi) A person that is collecting or attempting to collect a  
13 debt owed or due or asserted to be owed or due to another person to  
14 the extent that any of the following apply:

15 (A) The activity is incidental to a bona fide fiduciary  
16 obligation or a bona fide escrow arrangement.

17 (B) The activity concerns a debt that was extended by the  
18 person attempting to collect the debt.

19 (C) The activity concerns a debt that was not in default at  
20 the time it was obtained by the person attempting to collect the  
21 debt.

22 (D) The activity concerns a debt obtained by the person  
23 attempting to collect the debt as a secured party in a commercial  
24 credit transaction involving the creditor.

25 (vii) A person whose principal business is the making of loans  
26 or the servicing of debt not in default and that acts as a loan  
27 correspondent, seller and servicer for the owner, or holder of a  
28 debt that is secured by a deed of trust on real property,  
29 regardless of whether the debt is also secured by an interest in



1 personal property.

2 (viii) A licensee under any of the following acts:

3 (A) The horse racing law of 1995, 1995 PA 279, MCL 431.301 to  
4 431.336.

5 (B) The McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972  
6 PA 239, MCL 432.1 to 432.47.

7 (C) The Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382,  
8 MCL 432.101 to 432.152.

9 (D) The Michigan Gaming Control and Revenue Act, 1996 IL 1,  
10 MCL 432.201 to 432.226.

11 (E) The lawful sports betting act, 2019 PA 149, MCL 432.401 to  
12 432.419.

13 (F) The fantasy contests consumer protection act, 2019 PA 157,  
14 MCL 432.501 to 432.516.

15 (G) The lawful internet gaming act, 2019 PA 152, MCL 432.301  
16 to 432.322.

17 (e) Collection agency includes a person that, in the process  
18 of collecting the person's own debts, uses another name that would  
19 indicate that a third person is collecting or attempting to collect  
20 the debts.

21 (f) "Consumer reporting agency" means a person that, for  
22 monetary fees or dues or on a cooperative nonprofit basis,  
23 regularly engages, in whole or in part, in the practice of  
24 assembling or evaluating consumer credit information or other  
25 information on consumers for the purpose of furnishing consumer  
26 reports to third parties. Consumer reporting agency includes a  
27 person defined in 15 USC 1681a(f). Consumer reporting agency does  
28 not include a person that provides check verification or check  
29 guarantee services only.



1 (g) "Debt" means an obligation or alleged obligation of a  
2 consumer to pay money arising out of a transaction, regardless of  
3 whether the obligation has been reduced to judgment. Debt does not  
4 include a debt for business, investment, commercial, or  
5 agricultural purposes or a debt incurred by a person engaged in  
6 business.

7 (h) "Debt collector" means any person employed or engaged by a  
8 collection agency to perform the collection of debts owed or due or  
9 asserted to be owed or due to another person.

10 (i) "Hospital" means, consistent with 45 CFR 180.20, a  
11 hospital licensed under article 17 of the public health code, 1978  
12 PA 368, MCL 333.20101 to 333.22260.

13 (j) "Hospital price transparency laws" means 42 USC 300gg-  
14 18(e) and regulations adopted by the United States Department of  
15 Health and Human Services implementing 42 USC 300gg-18(e).

16 (k) "Items and services" means that term as defined in 45 CFR  
17 180.20.

18 (l) "Person" means an individual or a partnership, corporation,  
19 limited liability company, association, governmental entity, or  
20 other legal entity.

21 Sec. 3. (1) Subject to subsection (2), after the effective  
22 date of this act, a hospital that is not in material compliance  
23 with hospital price transparency laws on the date that items and  
24 services are purchased from, or provided to a patient by, the  
25 hospital shall not initiate or pursue a collection action against  
26 the patient or patient guarantor for a debt owed for the items and  
27 services.

28 (2) After 6 months after the effective date of this act, this  
29 act applies to critical access hospitals licensed and certified by



1 the department of health and human services under 42 CFR 485  
2 subpart F.

3 (3) If a patient has evidence that a hospital was not in  
4 compliance with hospital price transparency laws on a date after  
5 the effective date of this act and that items and services were  
6 purchased by or provided to the patient on that date, and if the  
7 hospital takes a collection action against the patient or patient  
8 guarantor regarding the items and services, the patient or patient  
9 guarantor may file a civil action to determine if the hospital was  
10 materially out of compliance with the hospital price transparency  
11 laws on the date of service and if the noncompliance is related to  
12 the items and services. The hospital shall not take a collection  
13 action against the patient or patient guarantor while the civil  
14 action is pending.

15 (4) If the judge or a jury in a civil action under this act,  
16 considering compliance standards issued by the Centers for Medicare  
17 and Medicaid Services, determines that a hospital was out of  
18 compliance with hospital price transparency laws, the hospital  
19 shall do all of the following:

20 (a) Refund the payer any amount of the debt the payer has paid  
21 and pay a penalty to the patient or patient guarantor an amount  
22 equal to the total amount of the debt.

23 (b) Dismiss or move to dismiss with prejudice any court action  
24 based on the debt and pay any attorney fees and costs incurred by  
25 the patient or patient guarantor relating to the action.

26 (c) Remove or have removed from the patient's or patient  
27 guarantor's credit record any report made to a consumer reporting  
28 agency relating to the debt.

29 (5) The remedy provided in this act is the exclusive remedy



1 for any civil action filed under this act.

2 (6) This act does not do any of the following:

3 (a) Prohibit a hospital from billing a patient, patient  
4 guarantor, or third-party payer, including a health insurer, for  
5 items and services provided to the patient.

6 (b) Require a hospital to refund any payment made to the  
7 hospital for items and services provided to the patient, if no  
8 collection action is taken in violation of this act.

9 Enacting section 1. This act does not take effect unless  
10 Senate Bill No. 1179 of the 102nd Legislature is enacted into law.

