

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

House Committee on Consumer Protection and Government Effectiveness

REVENUE: No revenue impact**FISCAL: May have fiscal impact, statement not yet issued****SUBSEQUENT REFERRAL TO: None****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Wendy Simons, Administrator**Meeting Dates:**

WHAT THE MEASURE DOES: Permits individual who has filed claim with insurer or brought legal action seeking compensation for injury suffered as result of accident or crime to send written notice to health care provider to whom individual owes debt for medical care or services. Prohibits health care provider receiving such notice from collecting or taking certain actions to collect, assign or transfer debt until later of specified dates. Permits health care provider to collect debt for which individual received proceeds from claim or legal action, up to limit of recovery. Tolls applicable statute of limitations on health care provider's right to collect during pendency of claim or action. Prohibits health care provider from reporting individual to credit reporting agency as delinquent, in arrears or unwilling to pay debt. Punishes violation as unlawful collection practice. Becomes operative 91 days after effective date. Declares emergency, effective upon passage.

ISSUES DISCUSSED:**EFFECT OF COMMITTEE AMENDMENT:** No amendments.

BACKGROUND: House Bill 3101 permits an individual injured as a result of an accident or crime to give written notice to a health care provider of efforts to obtain benefits from an insurer or compensation from the person who caused the injury. The Department of Consumer and Business Services (DCBS) may specify a form and the contents of such a written notice in order to make notification to health care providers clearer and more regular, and may make a model notice available on the DCBS website. Health care providers receiving such a notice may not collect, refer to a collector or collection agency or assign or transfer a debt owed for services rendered to the individual until 60 days after the later of: 180 days after receiving notice; the date on which the insurer allows or denies the individual's claim for benefits; the date on which a court or arbitrator enters a judgment with respect to the individual's legal action; or the date on which the individual withdraws the claim or legal action. The health care provider may take actions to collect the amount owed that is covered by the individual's insurance policy, up to the extent of benefits recovered if the individual does not pay health care provider within 60 days of receiving benefits. The statute of limitations for collecting debt is tolled, or suspended, for the time period during which the claim or legal action is pending. Violation of the provisions in House Bill 3031 is an unlawful collection practice.