

House Bill 3101

Sponsored by Representative POST, Senator THATCHER

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Permits individual who has filed claim with insurer for benefits under insurance policy or brought action to seek compensation or damages for injury individual suffered as result of accident or crime to send written notice to health care provider to which individual owes debt for medical care or medical services stating that claim or action is pending.

Prohibits health care provider that receives notice of pending claim or action from collecting, referring to debt collector or collection agency for collection, selling, assigning or otherwise transferring debt until later of specified dates. Permits health care provider to collect debt for which individual recovered partial proceeds from claim or action, up to limit of recovery. Tolls applicable statute of limitations on health care provider's right to collect debt during pendency of claim or action.

Prohibits health care provider from reporting to credit reporting agencies that individual is delinquent, in arrears or otherwise unable or unwilling to pay debt during time in which claim or action is pending.

Punishes violation as unlawful collection practice.

Becomes operative 91 days after effective date of Act.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to a health care provider's debt collection activities while a claim is pending; and declaring
3 an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

SECTION 1. (1) As used in this section:

5 (a) "Collection agency" has the meaning given that term in ORS 697.005.

6 (b) "Debt collector" has the meaning given that term in ORS 646.639.

7 (c) "Health care provider" means a person that is licensed or certified, or that the laws
8 of the state otherwise authorize or permit, to administer health care in the ordinary course
9 of practicing a profession or engaging in business, including a hospital, clinic or other health
10 care facility and an affiliate or agent of the person.

11
12 (2) An individual who has filed a claim with an insurer for benefits under an insurance
13 policy or who has brought an action or proceeding before a court or arbitrator to seek
14 compensation or damages for an injury the individual suffered in an accident or as the result
15 of a crime may notify in writing a health care provider that provided medical care or medical
16 services for which the individual owes payment that a claim or action is pending. The written
17 notice must, at a minimum, identify the individual and provide a claim number, case number
18 or other information that would enable the health care provider to verify the status of the
19 claim or action. The Director of the Department of Consumer and Business Services by rule
20 may specify a form, format and contents for the written notice that in the director's judg-
21 ment will clarify, make more regular or otherwise improve notifications to health care pro-
22 viders under this section. The director may make a model notice available on the Department
23 of Consumer and Business Services website.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **(3)(a) A health care provider that receives a notice under subsection (2) of this section**
 2 **may not collect, refer to a debt collector or collection agency for collection or sell, assign**
 3 **or otherwise transfer a debt that an individual owes the health care provider for medical**
 4 **care or medical services that the individual received from the health care provider until 60**
 5 **days after the later of:**

6 **(A) 180 days after the date on which the health care provider receives a written notice**
 7 **under subsection (2) of this section;**

8 **(B) The date on which an insurer allows or denies the individual's claim for benefits un-**
 9 **der an insurance policy;**

10 **(C) The date on which a court or arbitrator enters a judgment with respect to the**
 11 **individual's action or dismisses the action; or**

12 **(D) The date on which the individual withdraws the individual's claim or action.**

13 **(b) If an individual recovers part of the proceeds from a still pending claim for benefits**
 14 **from an insurer, or recovers the proceeds of a claim for benefits from only some of the**
 15 **insurers with which the individual has filed claims for benefits, a health care provider may**
 16 **collect, refer to a debt collector or collection agency for collection or sell, assign or transfer**
 17 **the portion of the debt that the individual owes for medical care or medical services that is**
 18 **covered by the policy or insurer from which the individual received the proceeds, up to the**
 19 **extent of the individual's recovery, if the individual does not pay the health care provider**
 20 **within 60 days after the date of the recovery.**

21 **(c) A written notice under paragraph (a) of this subsection tolls any statute of limitations**
 22 **that applies to the health care provider's right to collect the debt for the period of time**
 23 **during which the action or claim is pending.**

24 **(4) For as long as a health care provider is subject to subsection (3) of this section, the**
 25 **health care provider may not report to a credit reporting agency that an individual who owes**
 26 **the health care provider a debt for medical care or medical services is delinquent, is in ar-**
 27 **rears or is otherwise unwilling or unable to pay the individual's debt.**

28 **(5)(a) Except as provided in paragraph (b) of this subsection a violation of this section is**
 29 **an unlawful collection practice that is subject to an action under ORS 646.641.**

30 **(b) A health care provider that is subject to subsection (3) of this section does not violate**
 31 **this section or commit an unlawful collection practice if the health care provider contacts**
 32 **an individual who owes the health care provider a debt for medical care or medical services**
 33 **solely for the purpose of checking the status of the individual's claim or action or for routine**
 34 **billing.**

35 **SECTION 2. (1) Section 1 of this 2015 Act becomes operative 91 days after the effective**
 36 **date of this 2015 Act.**

37 **(2) The Director of the Department of Consumer and Business Services may adopt rules**
 38 **and take any other action before the operative date specified in subsection (1) of this section**
 39 **that is necessary to enable the director to exercise, on and after the operative date specified**
 40 **in subsection (1) of this section, all of the duties, functions and powers conferred on the di-**
 41 **rector by section 1 of this 2015 Act.**

42 **SECTION 3. This 2015 Act being necessary for the immediate preservation of the public**
 43 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
 44 **on its passage.**