

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 5330  
OFFERED BY MS. TLAIB OF MICHIGAN**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Consumer Protection  
3 for Medical Debt Collections Act”.

**4 SEC. 2. AMENDMENTS TO THE FAIR DEBT COLLECTION  
5 PRACTICES ACT.**

6 (a) DEFINITION.—Section 803 of the Fair Debt Col-  
7 lection Practices Act (15 U.S.C. 1692a) is amended by  
8 adding at the end the following:

9 “(9) The term ‘medical debt’ means a debt  
10 arising from the receipt of medical services,  
11 products, or devices.”.

12 (b) UNFAIR PRACTICES.—Section 808 of the Fair  
13 Debt Collection Practices Act (15 U.S.C. 1692f) is amend-  
14 ed by adding at the end the following:

15 “(9) Engaging in activities to collect or at-  
16 tempting to collect a medical debt owed or due  
17 or asserted to be owed or due by a consumer,  
18 before the end of the 2-year period beginning

1           on the date that the first payment with respect  
2           to such medical debt is due.”.

3 **SEC. 3. PROHIBITION ON CONSUMER REPORTING AGEN-**  
4 **CIES REPORTING CERTAIN MEDICAL DEBT.**

5           (a) DEFINITION.—Section 603 of the Fair Credit Re-  
6       porting Act (15 U.S.C. 1681a) is amended by adding at  
7       the end the following:

8           “(bb) MEDICAL DEBT.—The term ‘medical debt’  
9       means a debt arising from the receipt of medical services,  
10       products, or devices.

11          “(cc) MEDICALLY NECESSARY PROCEDURE.—The  
12       term ‘medically necessary procedure’ means—

13               “(1) health care services or supplies needed to  
14       diagnose or treat an illness, injury, condition, dis-  
15       ease, or its symptoms and that meet accepted stand-  
16       ards of medicine; and

17               “(2) health care to prevent illness or detect ill-  
18       ness at an early stage, when treatment is likely to  
19       work best (including preventive services such as pap  
20       tests, flu shots, and screening mammograms).”.

21          (b) IN GENERAL.—Section 605(a) of the Fair Credit  
22       Reporting Act (15 U.S.C. 1681c(a)) is amended by adding  
23       at the end the following new paragraph:

24               “(9) Any information related to a debt arising  
25       from a medically necessary procedure.

1           “(10) Any information related to a medical  
2           debt, if the date on which such debt was placed for  
3           collection, charged to profit or loss, or subjected to  
4           any similar action antedates the report by less than  
5           365 calendar days.”.

6   **SEC. 4. REQUIREMENTS FOR FURNISHERS OF MEDICAL**  
7                           **DEBT INFORMATION.**

8           (a) **ADDITIONAL NOTICE REQUIREMENTS FOR MED-**  
9   **ICAL DEBT.**—Section 623 of the Fair Credit Reporting  
10   Act (15 U.S.C. 1681s-2) is amended by adding at the end  
11   the following:

12           “(f) **ADDITIONAL NOTICE REQUIREMENTS FOR MED-**  
13   **ICAL DEBT.**—Before furnishing information regarding a  
14   medical debt of a consumer to a consumer reporting agen-  
15   cy, the person furnishing the information shall send a  
16   statement to the consumer that includes the following:

17           “(1) A notification that the medical debt—

18                           “(A) may not be included on a consumer  
19           report made by a consumer reporting agency  
20           until the later of the date that is 365 days  
21           after—

22   “(i) the date on which the person  
23           sends the statement;

24   “(ii) with respect to the medical debt  
25           of a borrower demonstrating hardship, a

1 date determined by the Director of the Bu-  
2 reau; or

3 “(iii) the date described under section  
4 605(a)(10) of the Fair Credit Reporting  
5 Act; and

6 “(B) may not ever be included on a con-  
7 sumer report made by a consumer reporting  
8 agency, if the medical debt arises from a medi-  
9 cally necessary procedure.

10 “(2) A notification that, if the debt is settled or  
11 paid by the consumer or an insurance company be-  
12 fore the end of the period described under paragraph  
13 (1)(A), the debt may not be reported to a consumer  
14 reporting agency.

15 “(3) A notification that the consumer may—

16 “(A) communicate with an insurance com-  
17 pany to determine coverage for the debt; or

18 “(B) apply for financial assistance.”.

19 (b) FURNISHING OF MEDICAL DEBT INFORMA-  
20 TION.—Section 623 of the Fair Credit Reporting Act (15  
21 U.S.C. 1681s-2), as amended by subsection (a), is further  
22 amended by adding at the end the following:

23 “(g) FURNISHING OF MEDICAL DEBT INFORMA-  
24 TION.—

1           “(1) PROHIBITION ON REPORTING DEBT RE-  
2           LATED TO MEDICALLY NECESSARY PROCEDURES.—  
3           No person shall furnish any information to a con-  
4           sumer reporting agency regarding a debt arising  
5           from a medically necessary procedure.

6           “(2) TREATMENT OF OTHER MEDICAL DEBT IN-  
7           FORMATION.—With respect to a medical debt not  
8           described under paragraph (1), no person shall fur-  
9           nish any information to a consumer reporting agen-  
10          cy regarding such debt before the end of the 365-  
11          day period beginning on the later of—

12                   “(A) the date on which the person sends  
13                   the statement described under subsection (f) to  
14                   the consumer;

15                   “(B) with respect to the medical debt of a  
16                   borrower demonstrating hardship, a date deter-  
17                   mined by the Director of the Bureau; or

18                   “(C) the date described in section  
19                   605(a)(10).

20          “(3) TREATMENT OF SETTLED OR PAID MED-  
21          ICAL DEBT.—With respect to a medical debt not de-  
22          scribed under paragraph (1), no person shall furnish  
23          any information to a consumer reporting agency re-  
24          garding such debt if the debt is settled or paid by  
25          the consumer or an insurance company before the

1 end of the 365-day period described under para-  
2 graph (2).

3 “(4) BORROWER DEMONSTRATING HARDSHIP  
4 DEFINED.—In this subsection, and with respect to a  
5 medical debt, the term ‘borrower demonstrating  
6 hardship’ means a borrower or a class of borrowers  
7 who, as determined by the Director of the Bureau,  
8 is facing or has experienced unusual extenuating life  
9 circumstances or events that result in severe finan-  
10 cial or personal barriers such that the borrower or  
11 class of borrowers does not have the capacity to  
12 repay the medical debt.”.

13 **SEC. 5. EFFECTIVE DATE.**

14 This Act and the amendments made by this Act shall  
15 take effect on the date that is 180 days after the date  
16 of enactment of this Act.

