

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Health Policy

BILL: SB 656

INTRODUCER: Senator Rodriguez

SUBJECT: Health Care Billing and Collection Activities

DATE: March 24, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Looke	Brown	HP	Pre-meeting
2.			CM	
3.			RC	

I. Summary:

SB 656 amends s. 395.3011, F.S., to extend protections from “extraordinary collection actions” by hospitals and ambulatory surgical centers (ASC) to all actions relating to payments of a bill for care. Current protections, created in 2024, apply only to bills for care covered under the hospital’s or ASC’s financial assistance policy. The bill also allows a hospital or ASC to sell an individual’s debt under certain circumstances and allows such facilities to share medical debt information to consumer reporting agencies and credit scoring services as long as the consumer has paid the debt or has entered into a payment plan to pay the debt and is meeting his or her obligations. The bill requires consumer reporting agencies and credit scoring services to adopt reasonable procedures to make use of such positive consumer credit information.

The bill provides an effective date of July 1, 2025.

II. Present Situation:

Medical Debt

Medical debt, or personal debt incurred from unpaid medical bills, is a leading cause of bankruptcy in the United States. Two-thirds of medical debts are the result of a one-time or short-term medical expense arising from an acute medical need.¹ Many medical collections on consumer credit reports are low-dollar accounts. Data from the federal Consumer Financial Protection Bureau’s Consumer Credit Panel show that in 2020, the median medical collection was \$310, the mean medical collection was \$773, and 62 percent of medical collections were under \$490.² In Florida, approximately 6.6 percent of the population has medical debt in

¹ Hamel, Liz et al. “The Burden of Medical Debt: January 2016 Results from the Kaiser Family Foundation/New York Times Medical Bills Survey.” Kaiser Family Foundation. January 2016. [The Burden of Medical Debt: Results from the Kaiser Family Foundation/New York Times Medical Bills Survey \(kff.org\)](https://www.kff.org/medicaid/report/the-burden-of-medical-debt-january-2016-results-from-the-kaiser-family-foundation-new-york-times-medical-bills-survey/) (last visited Mar. 24, 2025).

² [Medical Debt Burden in the United States \(consumerfinance.gov\)](https://www.consumerfinance.gov/medical-debt-burden-in-the-united-states/). (last visited Mar. 24, 2025).

collection.³ The median amount of medical debt in collections is \$1593.⁴ The percentage of persons without health insurance coverage is 11.1 percent.⁵

Medical Debt Collection in Florida

Debt Collection in General

Florida law provides a court process for the collection of lawful debts, including medical debts. A creditor may sue a debtor and, if the creditor prevails, the creditor may receive a final judgment awarding monetary damages. If the debtor does not voluntarily pay the judgment, the creditor has several legal means to collect on the debt, including:

- Wage garnishment.
- Garnishment of money in a bank account.
- Directing the sheriff to seize assets, sell them, and give the proceeds to the creditor.

In order to protect debtors from being destitute, current state law provides that certain property is exempt from being taken by a creditor. The Florida Constitution provides that the debtor's homestead and \$1,000 of personal property is exempt.⁶ Statutory law provides numerous categories of exempt property, and federal law also provides certain exemptions applicable in all states.⁷

In addition to the protection from creditors contained in the State Constitution, ch. 222, F.S., protects other personal property from certain claims of creditors and legal process: garnishment of wages for a head of family;⁸ proceeds from life insurance policies;⁹ wages or unemployment compensation payments due certain deceased employees;¹⁰ disability income benefits;¹¹ assets in qualified tuition programs; medical savings accounts; Coverdell education savings accounts; hurricane savings accounts;¹² \$1,000 interest in a motor vehicle; professionally prescribed health aids; certain refunds or credits from financial institutions; and \$4,000 interest in personal property, if the debtor does not claim or receive the benefits of a homestead exemption under the State Constitution.¹³

Changes Specific to Medical Debt

Chapter 2024-183, L.O.F., made significant changes to how a hospital or ASC is allowed to collect on debt owed to it. Specifically, the law:

- Prohibits hospitals and ASCs from filing an extraordinary collection action for medical debt;
- Establishes a new three-year statute of limitation period for medical debt collections which begins on the date the hospital or ASC refers the medical debt to a third party;

³ Debt in America 2024, Urban Data Catalog, *Debt in America State-Level Medical Debt*, Sep. 12, 2024, available at [Debt in America 2024 | Urban Data Catalog](#), (last visited Mar. 24, 2025).

⁴ *Id.*

⁵ *Id.*

⁶ Art. X, s. 4(a), Fla. Const.

⁷ For example, the federal ERISA law provides that most retirement plans are exempt from creditor claims.

⁸ Section 222.11, F.S.

⁹ Section 222.13, F.S.

¹⁰ Section 222.15, F.S.

¹¹ Section 222.18, F.S.

¹² Section 222.22, F.S.

¹³ Section 222.25, F.S.

- Exempts up to \$10,000 of a debtor's property from attachment, garnishment, or other legal action by a hospital or ASC to recover a medical debt; and
- Prohibits a hospital or ASC from engaging in extraordinary action to collect a medical debt while a patient's eligibility for, enrollment in, or grievance about other coverages are pending.

Part of the 2024 law created s. 395.3011, F.S., which prohibits a hospital or ASC from engaging in certain billing and collection activities relating to medical debt. The section defines "extraordinary collection actions" to mean any of the following actions taken by a licensed facility against an individual in relation to obtaining payment of a bill for care covered under the facility's financial assistance policy:

- Selling the individual's debt to another party.
- Reporting adverse information about the individual to consumer credit reporting agencies.
- Deferring, denying, or requiring a payment before providing medically necessary care because of the individual's nonpayment of one or more bills for previously provided care covered under the facility's financial assistance policy.
- Actions that require a legal or judicial process, including, but not limited to:
 - Placing a lien on the individual's property;
 - Foreclosing on the individual's real property;
 - Attaching or seizing the individual's bank account or any other personal property;
 - Commencing a civil action against the individual;
 - Causing the individual's arrest; or
 - Garnishing the individual's wages.

The 2024 law prohibits a hospital or ASC from engaging in an extraordinary collection action to obtain payment for services in the following circumstances:

- Before the facility has made reasonable efforts to determine whether the individual is eligible for assistance under its financial assistance policy for the care provided and, if eligible, before a decision is made by the facility on the patient's application for such financial assistance;
- Before the facility has provided the individual with an itemized statement or bill;
- During an ongoing grievance process as described in s. 395.301(6), F.S., or an ongoing appeal of a claim adjudication;
- Before billing any applicable insurer or HMO and allowing the insurer or HMO to adjudicate a claim;
- For 30 days after notifying the patient in writing, by certified mail, or by other traceable delivery method, that a collection action will commence absent additional action by the patient; or
- While the individual:
 - Negotiates in good faith the final amount of a bill for services rendered; or
 - Complies with all terms of a payment plan with the facility.

III. Effect of Proposed Changes:

SB 656 amends s. 395.3011, F.S., to:

- Expand the scope of “extraordinary collection action” to include actions taken in relation to obtaining payment for any bill of care, rather than only bills of care that are covered under a hospital’s or ASC’s financial assistance policy.
- Exclude selling an individual’s debt from the definition of “extraordinary collection action” as long as the debt:
 - Is not subject to interest, fees, or actions that require a legal or judicial process; and
 - Is returned to the facility if it is determined that the debt qualifies for charity care under the facility’s financial assistance policy.
- Provide definitions for:
 - “Furnisher of medical debt information” to mean an entity that owns the medical debt account and provides to a consumer reporting agency information pertaining to transactions, accounts, balances, repayment terms, repayment history, and other similar information relating to medical debts; and
 - “Medical debt” to mean a debt arising from the receipt of medical services, products, or devices.
- Allow information relating to medical debt that has been paid or settled by a consumer to be furnished to a consumer reporting agency.
- Allow information relating to a consumer’s satisfaction of the obligations of a payment plan may be furnished to a consumer reporting agency if:
 - The medical debt owner and the consumer have entered into a payment plan, including a deferred payment agreement or a debt forgiveness program with respect to medical debt; and
 - The consumer is meeting the obligations of the payment plan, as determined by the medical debt owner.
- Require consumer reporting agencies and credit scoring service providers to adopt reasonable standards to use positive consumer credit information so that the information is:
 - Included in a consumer report used, in whole or in part, for the purpose of serving as a factor in establishing a consumer’s eligibility for credit, employment purposes, and other purposes authorized by this part;
 - Used in the generation of any credit score; and
 - Provided in a manner that is fair to the consumer, with regard for the confidentiality, accuracy, relevancy, and proper use of such information in accordance with the requirements of this part.

The bill provides an effective date of July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 395.3011 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
