

SENATE BILL No. 276

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-18-2-52.5; IC 16-21; IC 24-4.5-5-104; IC 24-5-24.8; IC 28-9; IC 32-28-15; IC 32-33-22; IC 34-25-1-1.5; IC 34-55-9.

Synopsis: Health care debt and costs. Adds a new chapter to the Indiana Code governing hospitals' billing practices and financial disclosures to patients. Provides that the unpaid earnings of a consumer who resides in Indiana may not, at any time, be attached by garnishment in satisfaction of: (1) any amount of health care debt owed or alleged to be owed by the consumer; or (2) in an action against the consumer in which a judgment has been entered, any amount of the judgment that represents health care debt determined to be owed by the consumer. Prohibits a health care provider from reporting or furnishing to a consumer reporting agency any information related to health care debt owed or alleged to be owed by a consumer who resides in Indiana. Defines a "third party furnisher" as a person that regularly and in the ordinary course of business furnishes to consumer reporting agencies information about the transactions and experiences of health care providers with consumers, including information regarding delinquent account actions. Requires a health care provider to include in any contract entered into with a third party furnisher a provision that prohibits the reporting or furnishing to a consumer reporting agency any information related to health care debt owed or alleged to be owed by a consumer, including information concerning any delinquent account action taken with respect to health care debt. Provides that if information related to health care debt is reported to a consumer reporting agency in violation of these provisions: (1) the consumer who owes or is alleged to owe the health care debt is relieved from any liability to pay the amount of health care debt reported; and (2) the health care provider and any third party furnisher engaged by the health (Continued next page)

Effective: Upon passage; July 1, 2024.

Qaddoura

January 11, 2024, read first time and referred to Committee on Health and Provider Services.



care provider before or after the reporting of the information may not collect or pursue the collection of the amount reported. Prohibits a consumer reporting agency from recording or retaining in the file of a consumer any information that is: (1) related to health care debt incurred or alleged to be incurred by the consumer; and (2) reported to the consumer reporting agency after June 30, 2024. Provides that if a consumer reporting agency receives a request from a consumer to delete any record of health care debt maintained in the file of the consumer, the consumer reporting agency shall, not later than five business days after receiving the request, take all lawful and reasonable actions to delete from the consumer's file the record of the health care debt, regardless of when the health care debt was reported to the consumer reporting agency. Prohibits a health care provider from: (1) charging or collecting interest on the unpaid balances of health care debt at a rate that exceeds an annual rate of 9%; or (2) initiating any delinquent account action with respect to health care debt during the pendency of an appeal by the consumer for the denial of insurance or other third party coverage for the health care services, products, or devices with respect to which the health care debt was incurred. Prohibits a creditor from obtaining or using a consumer's medical information in connection with any determination of the consumer's eligibility, or continued eligibility, for credit, as required under the federal Fair Credit Reporting Act. Provides that a person that violates these provisions commits a deceptive act that is actionable only by the attorney general under the Indiana statute concerning deceptive consumer sales. Amends the statute concerning adverse claims against deposit accounts to prohibit a depository financial institution that receives notice of an adverse claim based on health care debt owed or alleged to be owed by a consumer from: (1) recognizing the adverse claim in any manner; or (2) placing a hold on, or otherwise restricting withdrawal of funds from, a deposit account in which the consumer who is the subject of the adverse claim has an interest. Provides that: (1) any amount of health care debt owed or alleged to be owed by a consumer; or (2) in an action against a consumer in which a judgment has been entered, any amount of the judgment that represents health care debt determined to be owed by the consumer; does not constitute a lien against the consumer's principal residence or against certain personal property of the consumer. Provides that in any action filed, in a court of competent jurisdiction in Indiana, for the recovery of health care debt owed or alleged to be owed by a consumer, the court does not have and shall not entertain jurisdiction in any: (1) action of attachment against the real or personal property of the consumer; or (2) action of garnishment; upon, or any time after, the filing of the complaint in the action. Provides that in any action filed, in a court of competent jurisdiction in Indiana, for the recovery of health care debt owed or alleged to be owed by a consumer, the principal residence of the consumer is not liable to judgment or attachment or to be sold on execution against the consumer.



Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

SENATE BILL No. 276



A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 16-18-2-52.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 52.5. (a) "Charity care",
3 for purposes of IC 16-21-6, **IC 16-21-6.1**, and IC 16-21-9, means the
4 unreimbursed cost to a hospital of providing, funding, or otherwise
5 financially supporting health care services:
6 (1) to a person classified by the hospital as financially indigent or
7 medically indigent on an inpatient or outpatient basis; and
8 (2) to financially indigent patients through other nonprofit or
9 public outpatient clinics, hospitals, or health care organizations.
10 (b) As used in this section, "financially indigent" means an
11 uninsured or underinsured person who is accepted for care with no
12 obligation or a discounted obligation to pay for the services rendered
13 based on the hospital's financial criteria and procedure used to
14 determine if a patient is eligible for charity care. The criteria and
15 procedure must include income levels and means testing indexed to the



1 federal poverty guidelines. A hospital may determine that a person is
 2 financially or medically indigent under the hospital's eligibility system
 3 after health care services are provided.

4 (c) As used in this section, "medically indigent" means a person
 5 whose medical or hospital bills after payment by third party payors
 6 exceed a specified percentage of the patient's annual gross income as
 7 determined in accordance with the hospital's eligibility system, and
 8 who is financially unable to pay the remaining bill.

9 SECTION 2. IC 16-21-6.1 IS ADDED TO THE INDIANA CODE
 10 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2024]:

12 **Chapter 6.1. Hospitals' Billing Practices and Financial**
 13 **Disclosures to Patients**

14 **Sec. 1. A hospital shall develop a written notice about any**
 15 **charity care program operated by the hospital and about the**
 16 **procedures by which a person may apply for any such charity care**
 17 **program. The notice must be in English and, to the extent**
 18 **practicable, in any other prevalent language used in the**
 19 **communities served by the hospital. The notice must be:**

20 (1) provided to a person at the time the person receives health
 21 care services, to the extent practicable; and

22 (2) conspicuously posted in the following areas:

23 (A) The general waiting area.

24 (B) The waiting area for emergency services.

25 (C) The business office.

26 (D) Any other area that the hospital considers an
 27 appropriate area in which to provide notice of a charity
 28 care program.

29 **Sec. 2. (a) Before billing a person for any health care services**
 30 **provided to the person, a hospital shall determine whether the**
 31 **person is eligible for any charity care program operated by the**
 32 **hospital. A hospital shall make the determination required by this**
 33 **section in accordance with the hospital's financial criteria and**
 34 **procedures used to determine a person's eligibility for the**
 35 **hospital's charity care program, including the use of income levels**
 36 **and means testing indexed to the federal poverty guidelines, as**
 37 **described in IC 16-18-2-52.5(b).**

38 (b) If a hospital determines under subsection (a) that a person
 39 to whom health care services have been provided is eligible for a
 40 charity care program operated by the hospital, the hospital shall:

41 (1) enroll the person in the hospital's charity care program:

42 (A) to the extent the hospital is able to do so under any:



- 1 (i) funding limits;
 2 (ii) enrollment limits; or
 3 (iii) other limits, caps, or restrictions;
 4 applicable to the program; and
 5 (B) subject to the person's right to opt out of enrollment in
 6 the program using the procedures described in subdivision
 7 (2)(C); and
 8 (2) notify the person of:
 9 (A) the person's eligibility for the charity care program;
 10 (B) the fact that the person has been enrolled in the charity
 11 care program; and
 12 (C) the person's right to opt out of enrollment in the
 13 charity care program by using procedures specified in the
 14 notice.
 15 (c) A hospital may provide notice to a person under subsection
 16 (b):
 17 (1) in a writing delivered to the person;
 18 (2) by electronic mail; or
 19 (3) through a mobile application or another Internet based
 20 method, if available;
 21 according to the preference expressed by the person to whom
 22 health care services have been provided.
 23 Sec. 3. (a) A hospital may not bill a person for any health care
 24 services provided to the person unless the hospital first
 25 communicates to the person a good faith estimate of the person's
 26 out-of-pocket expenses after any expected payments or discounts
 27 from:
 28 (1) any charity care program:
 29 (A) operated by the hospital; and
 30 (B) with respect to which the person has been:
 31 (i) determined to be eligible for; and
 32 (ii) enrolled in;
 33 under section 2 of this chapter; or
 34 (2) a third party payor, including:
 35 (A) Medicare;
 36 (B) Medicaid or any other federal, state, or local indigent
 37 health care program, eligibility for which is based on
 38 financial need; or
 39 (C) commercial insurance;
 40 have been applied to the total charges for the health care services
 41 provided.
 42 (b) A hospital may provide the good faith estimate required by



1 **this section:**

2 **(1) in a writing delivered to the person;**

3 **(2) by electronic mail; or**

4 **(3) through a mobile application or another Internet based**
 5 **method, if available;**

6 **according to the preference expressed by the person to whom**
 7 **health care services have been provided.**

8 **(c) The good faith estimate required by this section after health**
 9 **care services have been provided is separate from, and in addition**
 10 **to, any good faith estimate requested by an individual under**
 11 **IC 27-1-46 before nonemergency health care services are provided**
 12 **to the individual.**

13 SECTION 3. IC 16-21-9-7, AS AMENDED BY P.L.6-2012,
 14 SECTION 115, IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2024]: Sec. 7. (a) Each nonprofit hospital shall
 16 prepare an annual report of the community benefits plan. The report
 17 must include, in addition to the community benefits plan itself, the
 18 following background information:

19 (1) The hospital's mission statement.

20 (2) A disclosure of the health care needs of the community that
 21 were considered in developing the hospital's community benefits
 22 plan.

23 (3) A disclosure of the amount and types of community benefits
 24 actually provided, including charity care. Charity care must be
 25 reported as a separate item from other community benefits.

26 (b) Each nonprofit hospital shall annually file a report of the
 27 community benefits plan with the state department. For a hospital's
 28 fiscal year that ends before July 1, 2011, the report must be filed not
 29 later than one hundred twenty (120) days after the close of the
 30 hospital's fiscal year. For a hospital's fiscal year that ends after June 30,
 31 2011, the report must be filed at the same time the nonprofit hospital
 32 files its annual return described under Section 6033 of the Internal
 33 Revenue Code that is timely filed under Section 6072(e) of the Internal
 34 Revenue Code, including any applicable extension authorized under
 35 Section 6081 of the Internal Revenue Code.

36 (c) Each nonprofit hospital shall prepare a statement that notifies the
 37 public that the annual report of the community benefits plan is:

38 (1) public information;

39 (2) filed with the state department; and

40 (3) available to the public on request from the state department.

41 This statement shall be posted in prominent places throughout the
 42 hospital, including the emergency room waiting area and the



1 admissions office waiting area. The statement shall also be printed in
 2 the hospital patient guide or other material that provides the patient
 3 with information about the admissions criteria of the hospital.

4 (d) Each nonprofit hospital shall develop, **provide, and post** a
 5 written notice about any charity care program operated by the hospital
 6 and how to apply for charity care. The notice must be in appropriate
 7 languages if possible. The notice must also be conspicuously posted in
 8 the following areas:

- 9 (1) The general waiting area.
 10 (2) The waiting area for emergency services.
 11 (3) The business office.
 12 (4) Any other area that the hospital considers an appropriate area
 13 in which to provide notice of a charity care program. **in**
 14 **accordance with IC 16-21-6.1-1.**

15 SECTION 4. IC 24-4.5-5-104 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 104. No
 17 Garnishment Before Judgment — **(1) As used in this section,**
 18 **"consumer" means an individual whose principal residence is in**
 19 **Indiana. The term includes the following:**

- 20 (a) A protected consumer (as defined in IC 24-5-24.5-4).
 21 (b) A representative acting on behalf of a protected consumer
 22 (as defined in IC 24-5-24.5-4).

23 **(2) As used in this section, "health care debt" means an**
 24 **obligation or an alleged obligation of a consumer to pay an amount**
 25 **related to the receipt of health care services, products, or devices**
 26 **provided to a person by a health care provider. The term does not**
 27 **include debt charged to a credit card unless the credit card is**
 28 **issued under:**

- 29 (a) an open-end plan; or
 30 (b) a closed-end plan;

31 **offered specifically for the payment of health care services,**
 32 **products, or devices provided to a person.**

33 **(3) As used in this section, "health care provider" means:**

- 34 (a) a hospital or facility listed in IC 16-39-7-1(a)(13); or
 35 (b) a provider of ambulance services (as defined in
 36 IC 16-18-2-13.4).

37 **The term includes an affiliate, officer, agent, or employee of a**
 38 **person described in subdivision (a) or (b).**

39 **(4) Notwithstanding any other law, the unpaid earnings of a**
 40 **consumer may not, at any time, be attached by garnishment or like**
 41 **proceedings in satisfaction of:**

- 42 (a) any amount of health care debt owed or alleged to be owed



1 by the consumer; or

2 (b) in an action against the consumer in which a judgment has
3 been entered, any amount of the judgment that represents
4 health care debt determined to be owed by the consumer.

5 (5) Prior to entry of judgment in an action against the debtor, no a
6 creditor may not attach unpaid earnings of the debtor by garnishment
7 or like proceedings.

8 SECTION 5. IC 24-5-24.8 IS ADDED TO THE INDIANA CODE
9 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2024]:

11 **Chapter 24.8. Prohibitions Concerning Health Care Debt**

12 **Sec. 1. As used in this chapter, "affiliate" means any person who**
13 **directly or indirectly:**

14 (1) controls;

15 (2) is controlled by; or

16 (3) is under the common control of;

17 another person.

18 **Sec. 2. (a) As used in this chapter, "consumer" means an**
19 **individual whose principal residence is in Indiana.**

20 (b) The term includes the following:

21 (1) A protected consumer (as defined in IC 24-5-24.5-4).

22 (2) A representative acting on behalf of a protected consumer
23 (as defined in IC 24-5-24.5-4).

24 **Sec. 3. As used in this chapter, "consumer report" means any**
25 **written, oral, or other communication of any information that:**

26 (1) is made by a consumer reporting agency;

27 (2) bears on a consumer's creditworthiness, credit standing,
28 credit capacity, character, general reputation, personal
29 characteristics, or mode of living; and

30 (3) is used or expected to be used or collected in whole or in
31 part for the purpose of serving as a factor in establishing a
32 consumer's eligibility for:

33 (A) credit or insurance to be used primarily for personal,
34 family, or household purposes;

35 (B) employment purposes; or

36 (C) any other purpose authorized under Section 604 of the
37 federal Fair Credit Reporting Act (15 U.S.C. 1681b).

38 **Sec. 4. (a) As used in this chapter, "consumer reporting agency"**
39 **means any person that, for monetary fees or dues, or on a**
40 **cooperative nonprofit basis, regularly engages in whole or in part**
41 **in the practice of assembling or evaluating consumer credit**
42 **information or other information on consumers for the purpose of**



1 furnishing a consumer report to third parties.

2 (b) The term does not include an entity designated as a
3 commercially reasonable private consumer credit reporting entity
4 under IC 24-4.5-7-404(5).

5 Sec. 5. (a) As used in this chapter, "creditor" means any person
6 that regularly:

7 (1) extends, renews, or continues credit; or

8 (2) arranges for the extension, renewal, or continuation of
9 credit.

10 (b) The term includes any person that:

11 (1) is an assignee of a person described in subsection (a); and

12 (2) participates in the decision to extend, renew, or continue
13 credit.

14 Sec. 6. As used in this chapter, "delinquent account action",
15 with respect to a consumer's delinquent account with a health care
16 provider, means any action taken to initiate, or in furtherance of:

17 (1) placing the customer's account for collection;

18 (2) charging the customer's account to profit or loss; or

19 (3) subjecting the customer's account to any similar action;
20 whether taken through the health care provider's own actions or
21 those of a third party furnisher.

22 Sec. 7. As used in this chapter, "file", when used in connection
23 with information on a consumer, means all the information on that
24 consumer that is recorded and retained by a consumer reporting
25 agency, regardless of how the information is stored.

26 Sec. 8. (a) As used in this chapter, "health care debt" means an
27 obligation or an alleged obligation of a consumer to pay an amount
28 related to the receipt of health care services, products, or devices
29 provided to a person by a health care provider.

30 (b) The term does not include debt charged to a credit card
31 unless the credit card is issued under:

32 (1) an open-end plan; or

33 (2) a closed-end plan;

34 offered specifically for the payment of health care services,
35 products, or devices provided to a person.

36 Sec. 9. As used in this chapter, "health care provider" means:

37 (1) a hospital or facility listed in IC 16-39-7-1(a)(13); or

38 (2) a provider of ambulance services (as defined in
39 IC 16-18-2-13.4).

40 The term includes an affiliate, officer, agent, or employee of a
41 person described in subdivision (1) or (2).

42 Sec. 10. (a) As used in this chapter, "third party furnisher"



1 means a person that regularly and in the ordinary course of
 2 business furnishes to one (1) or more consumer reporting agencies
 3 information about the transactions and experiences of one (1) or
 4 more health care providers with one (1) or more consumers,
 5 including information regarding delinquent account actions,
 6 regardless of whether the delinquent account actions were taken
 7 by:

8 (1) the person;

9 (2) the health care provider on whose behalf the person
 10 furnishes the information; or

11 (3) any other person.

12 (b) The term includes a collection agency (as defined in
 13 IC 25-11-1-1) that regularly and in the ordinary course of business
 14 engages in the activities described in subsection (a).

15 (c) The term includes an affiliate, officer, agent, or employee of
 16 a person described in subsection (a) or (b).

17 **Sec. 11. (a) After June 30, 2024, a health care provider:**

18 (1) shall not report or furnish to a consumer reporting agency
 19 any information related to health care debt owed or alleged to
 20 be owed by a consumer; and

21 (2) shall include in any contract or agreement entered into
 22 with a third party furnisher a provision that prohibits the
 23 reporting or furnishing to a consumer reporting agency any
 24 information related to health care debt owed or alleged to be
 25 owed by a consumer, including information concerning any
 26 delinquent account action taken with respect to health care
 27 debt owed or alleged to be owed by a consumer.

28 (b) If information related to health care debt or any portion of
 29 health care debt is reported or furnished to a consumer reporting
 30 agency in violation of this section:

31 (1) the consumer who owes or is alleged to owe the health care
 32 debt is relieved from any liability to pay the amount of health
 33 care debt reported or furnished; and

34 (2) the health care provider and any third party furnisher
 35 engaged by the health care provider before or after the
 36 reporting or furnishing of the information may not collect or
 37 pursue the collection of the amount reported or furnished.

38 **Sec. 12. (a) Subject to subsection (b), a consumer reporting**
 39 **agency shall not record or retain in the file of a consumer any**
 40 **information that is:**

41 (1) related to health care debt incurred or alleged to be
 42 incurred by the consumer; and



1 (2) reported or furnished to the consumer reporting agency
2 after June 30, 2024.

3 (b) If a consumer reporting agency receives a request from a
4 consumer to delete any record of health care debt maintained in
5 the file of the consumer, the consumer reporting agency shall, not
6 later than five (5) business days after receiving the request, take all
7 lawful and reasonable actions to delete, or cause to be deleted,
8 from the consumer's file the record of the health care debt,
9 regardless of when the health care debt was reported or furnished
10 to the consumer reporting agency. A consumer reporting agency
11 may:

12 (1) prescribe the form and manner in which a consumer must
13 submit to the consumer reporting agency a request under this
14 subsection; and

15 (2) require the consumer to furnish proper identification in
16 connection with submitting the request.

17 A consumer reporting agency may not impose any fee or other
18 charge on any consumer in connection with fulfilling a request
19 submitted under this subsection.

20 Sec. 13. (a) This section applies to health care debt that is
21 incurred by a consumer after June 30, 2024.

22 (b) Notwithstanding any other law, a health care provider may
23 not do either of the following:

24 (1) Charge or collect interest on the unpaid balances of health
25 care debt at a rate that exceeds an annual rate of nine percent
26 (9%).

27 (2) Initiate any delinquent account action with respect to
28 health care debt during the pendency of an appeal by the
29 consumer for the denial of insurance or other third party
30 coverage for the health care services, products, or devices
31 with respect to which the health care debt was incurred.

32 Sec. 14. A creditor shall not obtain or use medical information
33 (as defined in 15 U.S.C. 1681a(i)) pertaining to a consumer in
34 connection with any determination of the consumer's eligibility, or
35 continued eligibility, for credit, as set forth in 15 U.S.C.
36 1681b(g)(2).

37 Sec. 15. A person who violates this chapter commits a deceptive
38 act that is actionable under IC 24-5-0.5 only by the attorney
39 general under IC 24-5-0.5-4(c).

40 Sec. 16. (a) The federal Fair Credit Reporting Act (15 U.S.C.
41 1681 et seq.) does not exempt:

42 (1) a health care provider;



- 1 (2) a creditor;
 2 (3) a third party furnisher; or
 3 (4) a consumer reporting agency;

4 subject to this chapter from complying with this chapter, except to
 5 the extent that this chapter is inconsistent with any provision of the
 6 federal Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), and then
 7 only to the extent of the inconsistency, as provided in 15 U.S.C.
 8 1681t(a).

9 (b) This chapter does not annul, alter, or affect any rights and
 10 remedies available to a consumer under the federal Fair Credit
 11 Reporting Act (15 U.S.C. 1681 et seq.), including:

- 12 (1) limitations on the furnishing of medical information (as
 13 defined in 15 U.S.C. 1681a(i)) about a consumer by a
 14 consumer reporting agency under 15 U.S.C. 1681b(g);
 15 (2) the right to request information in the consumer's file
 16 under 15 U.S.C. 1681g;
 17 (3) the right to dispute the completeness or accuracy of any
 18 item of information in the consumer's file under 15 U.S.C.
 19 1681i;
 20 (4) any applicable damages, costs, and attorney's fees
 21 available to the consumer under:
 22 (A) 15 U.S.C. 1681n for a person's willful noncompliance
 23 with the federal act; or
 24 (B) 15 U.S.C. 1681o for a person's negligent noncompliance
 25 with the federal act; and
 26 (5) any other applicable rights and remedies available to the
 27 consumer under the federal act.

28 Sec. 17. (a) This chapter does not annul, alter, or affect any
 29 obligations or duties of:

- 30 (1) a health care provider;
 31 (2) a creditor;
 32 (3) a third party furnisher; or
 33 (4) a consumer reporting agency;

34 under the federal Health Insurance Portability and Accountability
 35 Act (HIPAA) (P.L. 104-191) with respect to a consumer.

36 (b) This chapter does not annul, alter, or affect any rights of a
 37 consumer under the federal Health Insurance Portability and
 38 Accountability Act (HIPAA) (P.L. 104-191).

39 SECTION 6. IC 28-9-2-3.5 IS ADDED TO THE INDIANA CODE
 40 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 41 UPON PASSAGE]: Sec. 3.5. "Consumer" means an individual
 42 whose principal residence is in Indiana. The term includes the



1 following:

2 (1) A protected consumer (as defined in IC 24-5-24.5-4).

3 (2) A representative acting on behalf of a protected consumer
4 (as defined in IC 24-5-24.5-4).

5 SECTION 7. IC 28-9-2-6.5 IS ADDED TO THE INDIANA CODE
6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
7 UPON PASSAGE]: Sec. 6.5. (a) "Health care debt" means an
8 obligation or an alleged obligation of a consumer to pay an amount
9 related to the receipt of health care services, products, or devices
10 provided to a person by a health care provider.

11 (b) The term does not include debt charged to a credit card
12 unless the credit card is issued under:

13 (1) an open-end plan; or

14 (2) a closed-end plan;

15 offered specifically for the payment of health care services,
16 products, or devices provided to a person.

17 SECTION 8. IC 28-9-2-6.6 IS ADDED TO THE INDIANA CODE
18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
19 UPON PASSAGE]: Sec. 6.6. "Health care provider" means:

20 (1) a hospital or facility listed in IC 16-39-7-1(a)(13); or

21 (2) a provider of ambulance services (as defined in
22 IC 16-18-2-13.4).

23 The term includes an affiliate, officer, agent, or employee of a
24 person described in subdivision (1) or (2).

25 SECTION 9. IC 28-9-3-1 IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE UPON PASSAGE]: Sec. 1. Except upon the conditions
27 specified in sections 3 and 4 of this chapter, and subject to the
28 prohibition set forth in section 1.5 of this chapter with respect to an
29 adverse claim based on health care debt owed or alleged to be owed
30 by a consumer, notice to a depository financial institution of an
31 adverse claim does not require the depository financial institution to:

32 (1) recognize the adverse claim in any manner; or

33 (2) place a hold on, or otherwise restrict withdrawal of funds
34 from, a deposit account.

35 SECTION 10. IC 28-9-3-1.5 IS ADDED TO THE INDIANA CODE
36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
37 UPON PASSAGE]: Sec. 1.5. (a) This section applies to an adverse
38 claim that is based upon:

39 (1) any amount of health care debt owed or alleged to be owed
40 by a consumer who has an interest in a deposit account, either
41 jointly or with another person; or

42 (2) an action:



- 1 (A) against a consumer who has an interest in a deposit
2 account, either jointly or with another person; and
3 (B) in which a judgment has been entered;
4 any amount of the judgment that represents health care debt
5 determined to be owed by the consumer.

6 (b) If a depository financial institution receives notice of a claim
7 described in subsection (a), the depository financial institution may
8 not:

- 9 (1) recognize the adverse claim in any manner; or
10 (2) place a hold on, or otherwise restrict withdrawal of funds
11 from, a deposit account in which the consumer who is the
12 subject of the adverse claim has an interest, either jointly or
13 with another person.

14 SECTION 11. IC 32-28-15 IS ADDED TO THE INDIANA CODE
15 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
16 UPON PASSAGE]:

17 **Chapter 15. Prohibition Against Lien on Principal Residence of**
18 **a Consumer for Health Care Debt**

19 **Sec. 1. (a) As used in this chapter, "consumer" means an**
20 **individual whose principal residence is in Indiana.**

21 **(b) The term includes the following:**

- 22 (1) A protected consumer (as defined in IC 24-5-24.5-4).
23 (2) A representative acting on behalf of a protected consumer
24 (as defined in IC 24-5-24.5-4).

25 **Sec. 2. (a) As used in this chapter, "health care debt" means an**
26 **obligation or an alleged obligation of a consumer to pay an amount**
27 **related to the receipt of health care services, products, or devices**
28 **provided to a person by a health care provider.**

29 **(b) The term does not include debt charged to a credit card**
30 **unless the credit card is issued under:**

- 31 (1) an open-end plan; or
32 (2) a closed-end plan;
33 offered specifically for the payment of health care services,
34 products, or devices provided to a person.

35 **Sec. 3. As used in this chapter, "health care provider" means:**

- 36 (1) a hospital or facility listed in IC 16-39-7-1(a)(13); or
37 (2) a provider of ambulance services (as defined in
38 IC 16-18-2-13.4).

39 The term includes an affiliate, officer, agent, or employee of a
40 person described in subdivision (1) or (2).

41 **Sec. 4. As used in this chapter, "principal residence", with**
42 **respect to a consumer, means real or personal property that:**



1 (1) is located in Indiana;
 2 (2) the consumer:
 3 (A) owns; or
 4 (B) is buying under contract;
 5 whether solely or jointly with another person; and
 6 (3) constitutes the principal place of residence of:
 7 (A) the consumer; or
 8 (B) a dependent of the consumer.
 9 **Sec. 5. (a) Notwithstanding any other law:**
 10 (1) any amount of health care debt owed or alleged to be owed
 11 by a consumer; or
 12 (2) in an action against a consumer in which a judgment has
 13 been entered, any amount of the judgment that represents
 14 health care debt determined to be owed by the consumer;
 15 does not constitute a lien against the consumer's principal
 16 residence.
 17 (b) A person having any ownership or other interest in an
 18 amount described in subsection (a)(1) or (a)(2) may not assert,
 19 claim, enter, or enforce a lien against the consumer's principal
 20 residence.
 21 SECTION 12. IC 32-33-22 IS ADDED TO THE INDIANA CODE
 22 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 23 UPON PASSAGE]:
 24 **Chapter 22. Prohibition Against Lien on Certain Personal**
 25 **Property of a Consumer for Health Care Debt**
 26 **Sec. 1. (a) As used in this chapter, "consumer" means an**
 27 **individual whose principal residence is in Indiana.**
 28 **(b) The term includes the following:**
 29 (1) A protected consumer (as defined in IC 24-5-24.5-4).
 30 (2) A representative acting on behalf of a protected consumer
 31 (as defined in IC 24-5-24.5-4).
 32 **Sec. 2. (a) As used in this chapter, "health care debt" means an**
 33 **obligation or an alleged obligation of a consumer to pay an amount**
 34 **related to the receipt of health care services, products, or devices**
 35 **provided to a person by a health care provider.**
 36 **(b) The term does not include debt charged to a credit card**
 37 **unless the credit card is issued under:**
 38 (1) an open-end plan; or
 39 (2) a closed-end plan;
 40 offered specifically for the payment of health care services,
 41 products, or devices provided to a person.
 42 **Sec. 3. As used in this chapter, "health care provider" means:**



- 1 (1) a hospital or facility listed in IC 16-39-7-1(a)(13); or
 2 (2) a provider of ambulance services (as defined in
 3 IC 16-18-2-13.4).

4 The term includes an affiliate, officer, agent, or employee of a
 5 person described in subdivision (1) or (2).

6 Sec. 4. As used in this chapter, "personal property", with
 7 respect to a consumer, means any of the following that the
 8 consumer owns, or has an ownership interest in, whether solely or
 9 jointly with another person:

10 (1) A motor vehicle (as defined in IC 9-13-2-105(a)) that is
 11 used as the consumer's primary vehicle for transporting the
 12 consumer to and from work, school, or other daily activities.

13 (2) A deposit account (as defined in IC 28-9-2-5).

14 (3) Any other:

15 (A) tangible personal property, to the extent of the amount
 16 of the exemption allowed debtors under
 17 IC 34-55-10-2(c)(2) for tangible personal property, as
 18 amended by rules adopted by the department of financial
 19 institutions under IC 34-55-10-2.5; or

20 (B) intangible personal property (including choses in
 21 action and cash, but excluding debts owing and income
 22 owing), to the extent of the amount of the exemption
 23 allowed debtors under IC 34-55-10-2(c)(3) for intangible
 24 personal property, as amended by rules adopted by the
 25 department of financial institutions under IC 34-55-10-2.5.

26 Sec. 5. (a) Notwithstanding any other law:

27 (1) any amount of health care debt owed or alleged to be owed
 28 by a consumer; or

29 (2) in an action against a consumer in which a judgment has
 30 been entered, any amount of the judgment that represents
 31 health care debt determined to be owed by the consumer;

32 does not constitute a lien against the personal property of the
 33 consumer.

34 (b) A person having any ownership or other interest in an
 35 amount described in subsection (a)(1) or (a)(2) may not assert,
 36 claim, enter, or enforce a lien against the consumer's personal
 37 property.

38 SECTION 13. IC 34-25-1-1.5 IS ADDED TO THE INDIANA
 39 CODE AS A NEW SECTION TO READ AS FOLLOWS
 40 [EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) As used in this section,
 41 "consumer" means an individual whose principal residence is in
 42 Indiana. The term includes the following:



1 (1) A protected consumer (as defined in IC 24-5-24.5-4).

2 (2) A representative acting on behalf of a protected consumer
3 (as defined in IC 24-5-24.5-4).

4 (b) As used in this section, "health care debt" means an
5 obligation or an alleged obligation of a consumer to pay an amount
6 related to the receipt of health care services, products, or devices
7 provided to a person by a health care provider. The term does not
8 include debt charged to a credit card unless the credit card is
9 issued under:

10 (1) an open-end plan; or

11 (2) a closed-end plan;

12 offered specifically for the payment of health care services,
13 products, or devices provided to a person.

14 (c) As used in this section, "health care provider" means:

15 (1) a hospital or facility listed in IC 16-39-7-1(a)(13); or

16 (2) a provider of ambulance services (as defined in
17 IC 16-18-2-13.4).

18 The term includes an affiliate, officer, agent, or employee of a
19 person described in subdivision (1) or (2).

20 (d) In any action filed, in a court of competent jurisdiction in
21 Indiana, for the recovery of health care debt owed or alleged to be
22 owed by a consumer, the court does not have and shall not
23 entertain jurisdiction in any:

24 (1) action of attachment under IC 34-25-2 against the real or
25 personal property of the consumer; or

26 (2) action of garnishment under IC 34-25-3;

27 upon, or any time after, the filing of the complaint in the action for
28 the recovery of health care debt owed or alleged to be owed by the
29 consumer.

30 SECTION 14. IC 34-55-9-0.5 IS ADDED TO THE INDIANA
31 CODE AS A NEW SECTION TO READ AS FOLLOWS
32 [EFFECTIVE UPON PASSAGE]: Sec. 0.5. As used in this chapter,
33 the following terms have the following meanings:

34 (1) "Consumer" means an individual whose principal
35 residence is in Indiana. The term includes the following:

36 (A) A protected consumer (as defined in IC 24-5-24.5-4).

37 (B) A representative acting on behalf of a protected
38 consumer (as defined in IC 24-5-24.5-4).

39 (2) "Health care debt" means an obligation or an alleged
40 obligation of a consumer to pay an amount related to the
41 receipt of health care services, products, or devices provided
42 to a person by a health care provider. The term does not



- 1 include debt charged to a credit card unless the credit card is
- 2 issued under:
- 3 (A) an open-end plan; or
- 4 (B) a closed-end plan;
- 5 offered specifically for the payment of health care services,
- 6 products, or devices provided to a person.
- 7 (3) "Health care provider" means:
- 8 (A) a hospital or facility listed in IC 16-39-7-1(a)(13); or
- 9 (B) a provider of ambulance services (as defined in
- 10 IC 16-18-2-13.4).
- 11 The term includes an affiliate, officer, agent, or employee of
- 12 a person described in clause (A) or (B).
- 13 (4) "Principal residence", with respect to a consumer, means
- 14 real or personal property that:
- 15 (A) is located in Indiana;
- 16 (B) the consumer:
- 17 (i) owns; or
- 18 (ii) is buying under contract;
- 19 whether solely or jointly with another person; and
- 20 (C) constitutes the principal place of residence of:
- 21 (i) the consumer; or
- 22 (ii) a dependent of the consumer.

23 SECTION 15. IC 34-55-9-1 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) **Except as**
 25 **provided in subsection (b)**, the following real estate is liable to all
 26 judgments and attachments and to be sold on execution against the
 27 debtor ~~owing~~ **owning** the real estate or for whose use the real estate is
 28 held:

- 29 (1) All lands of the judgment debtor, whether in possession,
- 30 remainder, or reversion.
- 31 (2) All rights of redeeming mortgaged lands and all lands held by
- 32 virtue of any land office certificate.
- 33 (3) Lands or any estate or interest in land held by anyone in trust
- 34 for or to the use of another.
- 35 (4) All chattels real of the judgment debtor.

36 **(b) In any action filed, in a court of competent jurisdiction in**
 37 **Indiana, for the recovery of health care debt owed or alleged to be**
 38 **owed by a consumer, the principal residence of the consumer is not**
 39 **liable to judgment or attachment or to be sold on execution against**
 40 **the consumer.**

41 SECTION 16. IC 34-55-9-2 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) **Except as**



1 **provided in subsection (b)**, all final judgments for the recovery of
2 money or costs in the circuit court and other courts of record of general
3 original jurisdiction in Indiana, whether state or federal, constitute a
4 lien upon real estate and chattels real liable to execution in the county
5 where the judgment has been duly entered and indexed in the judgment
6 docket as provided by law:

7 (1) after the time the judgment was entered and indexed; and

8 (2) until the expiration of ten (10) years after the rendition of the
9 judgment;

10 exclusive of any time during which the party was restrained from
11 proceeding on the lien by an appeal, an injunction, the death of the
12 defendant, or the agreement of the parties entered of record.

13 **(b) A final judgment for the recovery of money or costs in any**
14 **action filed, in a court of competent jurisdiction in Indiana, for the**
15 **recovery of health care debt owed or alleged to be owed by a**
16 **consumer does not constitute a lien upon the principal residence of**
17 **the consumer.**

18 SECTION 17. An emergency is declared for this act.

