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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 1077

02/17/2025 Authored by Elkins
The bill was read for the first time and referred to the Committee on Health Finance and Policy

A bill for an act

relating to health care; modifying requirements for making current standard charges available to the public; prohibiting collection actions in certain circumstances; authorizing actions by patients and guarantors; amending Minnesota Statutes 2024, sections 62J.826, subdivisions 1, 2; 144.588, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 62J.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 62J.826, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section and section 62J.827.

(b) "CDT code" means a code value drawn from the Code on Dental Procedures and Nomenclature published by the American Dental Association.

(c) "Chargemaster" means the list of all individual items and services maintained by a medical or dental practice for which the medical or dental practice has established a charge.

(d) "Collection action" means:

(1) attempting to collect a debt through in-house collections or by referring the debt to a collection agency, debt buyer, or collector, as those terms are defined in section 332.31; or

(2) bringing an action in court to collect a debt or initiating arbitration or formal, binding mediation to collect a debt.

~~(d)~~ (e) "Commissioner" means the commissioner of health.

~~(e)~~ (f) "CPT code" means a code value drawn from the Current Procedural Terminology published by the American Medical Association.

~~(f)~~ (g) "Dental service" means a service charged using a CDT code.

~~(g)~~ (h) "Diagnostic laboratory testing" means a service charged using a CPT code within the CPT code range of 80047 to 89398.

~~(h)~~ (i) "Diagnostic radiology service" means a service charged using a CPT code within the CPT code range of 70010 to 79999 and includes the provision of x-rays, computed tomography scans, positron emission tomography scans, magnetic resonance imaging scans, and mammographies.

~~(i)~~ (j) "Hospital" means an acute care institution licensed under sections 144.50 to 144.58, but does not include a health care institution conducted for those who rely primarily upon treatment by prayer or spiritual means in accordance with the creed or tenets of any church or denomination.

~~(j)~~ (k) "Medical or dental practice" means a business that:

(1) earns revenue by providing medical care or dental services to the public;

(2) issues payment claims to health plan companies and other payers; and

(3) may be identified by its federal tax identification number.

~~(k)~~ (l) "Outpatient surgical center" means a health care facility other than a hospital offering elective outpatient surgery under a license issued under sections 144.50 to 144.58.

~~(l)~~ (m) "Standard charge" means the regular rate established by the medical or dental practice for an item or service provided to a specific group of paying patients. This includes all of the following:

(1) the charge for an individual item or service that is reflected on a medical or dental practice's chargemaster, absent any discounts;

(2) the charge that a medical or dental practice has negotiated with a third-party payer for an item or service;

(3) the lowest charge that a medical or dental practice has negotiated with all third-party payers for an item or service;

(4) the highest charge that a medical or dental practice has negotiated with all third-party payers for an item or service; and

(5) the charge that applies to an individual who pays cash, or cash equivalent, for an item or service.

Sec. 2. Minnesota Statutes 2024, section 62J.826, subdivision 2, is amended to read:

Subd. 2. **Requirement; current standard charges.** The following medical or dental practices must make available to the public a list of their current standard charges for all items and services, as reflected in the medical or dental practice's chargemaster, provided by the medical or dental practice:

(1) hospitals;

(2) outpatient surgical centers; and

(3) any other medical or dental practice ~~that has revenue of greater than $50,000,000 per year and~~ that:

(i) derives the majority of its revenue by providing one or more of the following services:

~~(i)~~ (A) diagnostic radiology services;

~~(ii)~~ (B) diagnostic laboratory testing;

~~(iii)~~ (C) orthopedic surgical procedures, including joint arthroplasty procedures within the CPT code range of 26990 to 27899;

~~(iv)~~ (D) ophthalmologic surgical procedures, including cataract surgery coded using CPT code 66982 or 66984, or refractive correction surgery to improve visual acuity;

~~(v)~~ (E) anesthesia services commonly provided as an ancillary to services provided at a hospital, outpatient surgical center, or medical practice that provides orthopedic surgical procedures or ophthalmologic surgical procedures;

~~(vi)~~ (F) oncology services, including radiation oncology treatments within the CPT code range of 77261 to 77799 and drug infusions; or

~~(vii)~~ (G) dental services~~.~~; and

(ii)(A) in calendar year 2024, has revenue of greater than $50,000,000;

(B) in calendar year 2025, has revenue of greater than $25,000,000;

(C) in calendar year 2026, has revenue of greater than $10,000,000; and

(D) in calendar year 2027 and each calendar year thereafter, has revenue of any amount.

Sec. 3. **[62J.827] FAILURE TO MAKE CURRENT STANDARD CHARGES AVAILABLE.**

Subdivision 1. **Collection action prohibited.** A medical or dental practice that is subject to section 62J.826 and that is not in material compliance with section 62J.826 is prohibited from initiating or pursuing a collection action against a patient or guarantor for debt owed for any items or services the medical or dental practice provided to the patient while the medical or dental practice was not in material compliance with section 62J.826.

Subd. 2. **Action by patient or guarantor.** (a) A patient or guarantor who believes that a medical or dental practice initiated or pursued a collection action against the patient or guarantor in violation of subdivision 1 may bring an action to determine whether the medical or dental practice initiated or pursued a collection action in violation of subdivision 1. While an action under this subdivision is pending between the patient or guarantor and the medical or dental practice, the medical or dental practice is prohibited from initiating or pursuing a collection action against the patient or guarantor.

(b) If the court determines that a medical or dental practice violated subdivision 1, the court must order the medical or dental practice to:

(1) refund any amount paid by the patient, guarantor, or other payer for the items or services that were the subject of the medical or dental practice's collection action that violated subdivision 1; and

(2) pay to the patient or guarantor a penalty equal to the amount owed by the patient or guarantor for the items or services that were the subject of the medical or dental practice's collection action that violated subdivision 1.

(c) If a medical or dental practice initiated a court action against a patient or guarantor, the court, when presented with evidence that a court found the action violated subdivision 1, must dismiss or cause to be dismissed with prejudice the court action against the patient or guarantor found to violate subdivision 1 and must order the medical or dental practice to pay all attorney fees and costs incurred by the patient or guarantor relating to the action that was dismissed.

Subd. 3. **Billing and refunds.** Nothing in this section:

(1) prohibits a medical or dental practice from billing a patient, guarantor, or other payer, including a health plan company, for items or services provided to the patient while the medical or dental practice was not in material compliance with section 62J.826; or

(2) requires a medical or dental practice to refund any payments made to the medical or dental practice for items or services provided to the patient while the medical or dental practice was not in material compliance with section 62J.826, so long as the medical or dental practice does not initiate or pursue a collection action in violation of subdivision 1.

Sec. 4. Minnesota Statutes 2024, section 144.588, subdivision 1, is amended to read:

Subdivision 1. **Requirement; action to collect medical debt or garnish wages or bank accounts.** (a) In an action against a patient or guarantor for collection of medical debt owed to a hospital or for garnishment of the patient's or guarantor's wages or bank accounts to collect medical debt owed to a hospital, the hospital must serve on the defendant with the summons and complaint an affidavit of expert review certifying that:

(1) unless the patient declined to participate, the hospital complied with the requirements in section 144.587;

(2) the hospital was in material compliance with section 62J.826 when the hospital provided the patient with the items and services for which the patient or guarantor owes the debt;

~~(2)~~ (3) there is a reasonable basis to believe that the patient owes the debt;

~~(3)~~ (4) all known third-party payors have been properly billed by the hospital, such that any remaining debt is the financial responsibility of the patient, and the hospital will not bill the patient for any amount that an insurance company is obligated to pay;

~~(4)~~ (5) the patient has been given a reasonable opportunity to apply for charity care, if the facts and circumstances suggest that the patient may be eligible for charity care;

~~(5)~~ (6) where the patient has indicated an inability to pay the full amount of the debt in one payment and provided reasonable verification of the inability to pay the full amount of the debt in one payment if requested by the hospital, the hospital has offered the patient a reasonable payment plan;

~~(6)~~ (7) there is no reasonable basis to believe that the patient's or guarantor's wages or funds at a financial institution are likely to be exempt from garnishment; and

~~(7)~~ (8) in the case of a default judgment proceeding, there is not a reasonable basis to believe:

(i) that the patient may already consider that the patient has adequately answered the complaint by calling or writing to the hospital, its debt collection agency, or its attorney;

(ii) that the patient is potentially unable to answer the complaint due to age, disability, or medical condition; or

(iii) the patient may not have received service of the complaint.

(b) The affidavit of expert review must be completed by a designated employee of the hospital seeking to initiate the action or garnishment.

Sec. 5. Minnesota Statutes 2024, section 144.588, subdivision 2, is amended to read:

Subd. 2. **Requirement; referral to third-party debt collection agency.** (a) In order to refer a patient's account to a third-party debt collection agency, a hospital must complete an affidavit of expert review certifying that:

(1) unless the patient declined to participate, the hospital complied with the requirements in section 144.587;

(2) the hospital was in material compliance with section 62J.826 when the hospital provided the patient with the items and services for which the patient or guarantor owes the debt;

~~(2)~~ (3) there is a reasonable basis to believe that the patient owes the debt;

~~(3)~~ (4) all known third-party payors have been properly billed by the hospital, such that any remaining debt is the financial responsibility of the patient, and the hospital will not bill the patient for any amount that an insurance company is obligated to pay;

~~(4)~~ (5) the patient has been given a reasonable opportunity to apply for charity care, if the facts and circumstances suggest that the patient may be eligible for charity care; and

~~(5)~~ (6) where the patient has indicated an inability to pay the full amount of the debt in one payment and provided reasonable verification of the inability to pay the full amount of the debt in one payment if requested by the hospital, the hospital has offered the patient a reasonable payment plan.

(b) The affidavit of expert review must be completed by a designated employee of the hospital seeking to refer the patient's account to a third-party debt collection agency.