

2026 Regular Session

SENATE BILL NO. 414

BY SENATOR TALBOT

CONSUMERS. Provides for the Louisiana Medical Debt Protection Act. (gov sig)

1 AN ACT

2 To enact Chapter 15 of Title 51 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 51:1501 through 1504, relative to medical debt protection; to create the
4 Louisiana Medical Debt Protection Act; to provide relative to interest rate
5 limitations; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. Chapter 15 of Title 51 of the Louisiana Revised Statutes of 1950,
8 comprised of R.S. 51:1501 through 1504, is hereby enacted to read as follows:

9 **CHAPTER13-C. MEDICAL DEBT PROTECTIONS**

10 **§1501. Short Title**

11 **This Chapter shall be known and may be cited as the Louisiana Medical**
12 **Debt Protection Act.**

13 **§1502. Definitions**

14 **As used in this Chapter, the following terms shall have the following**
15 **meanings:**

16 **(1) "Federal Poverty Level" (FPL) means the income guidelines**
17 **published annually by the United States Department of Health and Human**

1 Services.

2 (2) "Medical creditor" means any entity that provides healthcare
3 services and to whom the consumer owes money for healthcare services or the
4 entity that provided healthcare services and to whom the consumer previously
5 owed money if the medical debt has been purchased by one or more debt
6 buyers.

7 (3) "Medical debt" means debt arising from healthcare services,
8 including products, devices, durable medical equipment, and prescription
9 drugs, and from the provisions of transportation to healthcare services.

10 "Medical debt" does not include either of the following:

11 (a) An open-end or closed-end extension of credit made by a federally
12 insured financial institution, its subsidiaries, or affiliates.

13 (b) A debt charged to a credit card.

14 (4) "Medical debt collector" means any person that regularly collects or
15 attempts to collect, directly or indirectly, medical debts originally owed or due
16 or asserted to be owed or due to another. A medical debt buyer shall be
17 considered a medical debt collector for all purposes.

18 (5) "Medically necessary care" means healthcare services, products, or
19 medications that a licensed health care provider determines are necessary to
20 prevent, diagnose, or treat an illness, injury, disease, or its symptoms, and that
21 meet accepted standards of care.

22 §1503. Interest rate limitation

23 Interest on medical debt arising from medical necessary care shall not
24 exceed three percent per annum. Any contractual provision imposing a higher
25 rate is void.

26 §1504. Enforcement

27 A. The attorney general may enforce the provisions of this Chapter and
28 seek civil penalties.

29 B. The attorney general shall establish a complaint process whereby an

1 **aggrieved consumer or any member of the public may file a complaint against**
 2 **a medical creditor or medical debt collector who violates any provision of this**
 3 **Chapter. All complaints shall be considered public records pursuant to R.S.**
 4 **44:1 et seq., with the exception of the complainant's name, address, or other**
 5 **personal identifying information, which shall be considered confidential and**
 6 **redacted from the complaint.**

7 Section 2. This Act shall become effective upon signature by the governor or, if not
 8 signed by the governor, upon expiration of the time for bills to become law without signature
 9 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 10 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 11 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

SB 414 Engrossed

2026 Regular Session

Talbot

Proposed law defines the terms "federal poverty level", "medical creditor", "medical debt", "medical debt collector", and "medically necessary care".

Proposed law limits interest on medical debt arising from medically necessary care to no more than 3% per annum and provides that any contractual provision imposing a higher rate is void.

Proposed law authorizes the attorney general to seek civil penalties for violations under proposed law and further requires the attorney general to establish a complaint process for alleged violations, that are subject to public records laws, except for any complaint with personal identifying information.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 51:1501-1504)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Excludes from the definition of "medical debt" any loan or credit issued by federally insured financial institution or its affiliates, as well as any amounts charged to a credit card.
2. Increases the cap on interest for medical debt arising from medically necessary care from 2% to 3% per annum.

3. Removes provisions that prohibits wage or bank account garnishment and placing a lien on or foreclosure against a person's primary residence or vehicle for collection of medical debt arising from medically necessary care.
4. Removes requirement that healthcare providers or medical creditors include contractual provisions with third-party debt collectors prohibiting wage garnishments, liens, or foreclosure for certain medical debts.
5. Removes the private right of action.
6. Makes technical changes.