

SENATE BILL NO. 414

BY SENATOR TALBOT AND REPRESENTATIVES CARVER, CHASSION, FISHER,  
FREEMAN, JACKSON, KERNER, MANDIE LANDRY, MARCELLE,  
MARTINEZ, RISER AND STAGNI

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 **CHAPTER 15. MEDICAL DEBT PROTECTIONS**

10 **§1501. Short title**

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

13 **§1502. Definitions**

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

16 **(1) "Medical creditor" means any entity that provides healthcare**  
17 **services and to whom the consumer owes money for healthcare services, or the**  
18 **entity that provided healthcare services and to whom the consumer previously**  
19 **owed money if the medical debt has been purchased by one or more debt**

1 buyers.

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

5 (b) "Medical debt" does not include either of the following:

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

8 (ii) A debt charged to a credit card.

9 (3) "Medical debt collector" means any person that regularly collects or  
10 attempts to collect, directly or indirectly, medical debts originally owed or due  
11 or asserted to be owed or due to another. A medical debt buyer shall be  
12 considered a medical debt collector for all purposes.

13 (4) "Medically necessary care" means healthcare services, products, or  
14 medications that a licensed healthcare provider determines are necessary to  
15 prevent, diagnose, or treat an illness, injury, disease, or its symptoms, and that  
16 meet accepted standards of care.

17 §1503. Interest rate limitation

18 Interest on medical debt arising from medically necessary care shall not  
19 exceed three percent per annum. Any contractual provision imposing a higher  
20 rate is void.

21 §1504. Enforcement

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

24 B. The attorney general shall establish a complaint process whereby an  
25 aggrieved consumer or any member of the public may file a complaint against  
26 a medical creditor or medical debt collector who violates any provision of this  
27 Chapter. All complaints shall be considered public records pursuant to R.S.  
28 44:1 et seq., with the exception of the complainant's name, address, or other  
29 personal identifying information, which shall be considered confidential and  
30 redacted from the complaint.

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

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_