

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 SENATE BILL 732

By: Dahm

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5  
6 AS INTRODUCED

7 An Act relating to hospitals; defining terms;  
8 prohibiting hospitals from taking certain collection  
9 actions against patients if certain conditions are  
10 not met; providing exception; allowing patient to  
11 file suit under certain conditions; prohibiting  
12 hospital from taking collection actions during  
13 pending lawsuit; requiring hospital to take certain  
14 actions if found in noncompliance with hospital price  
15 transparency laws; requiring judge or jury to  
16 consider certain compliance standards; providing  
17 certain construction; providing for codification; and  
18 providing an effective date.

19 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

20 SECTION 1. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 1-725.11 of Title 63, unless  
22 there is created a duplication in numbering, reads as follows:

23 As used in this act, unless the context otherwise requires:

24 1. "Collection action" means any of the following actions taken  
25 with respect to a debt for items and services that were purchased  
26 from or provided to a patient by a hospital on a date during which  
27 the hospital was not in material compliance with hospital price  
28 transparency laws:

- 1 a. attempting to collect a debt from a patient or patient  
2 guarantor by referring the debt, directly or  
3 indirectly, to a debt collector, a collection agency,  
4 or other third party retained by or on behalf of the  
5 hospital,  
6 b. suing the patient or patient guarantor or enforcing an  
7 arbitration or mediation clause in any hospital  
8 documents, including contracts, agreements,  
9 statements, or bills, or  
10 c. directly or indirectly causing a report to be made to  
11 a consumer reporting agency;

12 2. a. "Collection agency" means any:

13 (1) person who engages in a business, the principal  
14 purpose of which is the collection of debts, or

15 (2) person who:

16 (a) regularly collects or attempts to collect,  
17 directly or indirectly, debts owed or due or  
18 asserted to be owed or due to another,

19 (b) takes assignment of debts for collection  
20 purposes, or

21 (c) directly or indirectly solicits for  
22 collection debts owed or due or asserted to  
23 be owed or due to another.

24 b. Collection agency does not include:  
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- 1 (1) any officer or employee of a creditor while, in  
2 the name of the creditor, collecting debts for  
3 such creditor,  
4 (2) any person while acting as a collection agency  
5 for another person, both of whom are related by  
6 common ownership or affiliated by corporate  
7 control, if the person acting as a collection  
8 agency does so only for creditors to whom it is  
9 so related or affiliated and if the principal  
10 business of the person is not the collection of  
11 debts,  
12 (3) any officer or employee of the United States or  
13 any state to the extent that collecting or  
14 attempting to collect any debt is in the  
15 performance of the officer's or employee's  
16 official duties,  
17 (4) any person while serving or attempting to serve  
18 legal process on any other person in connection  
19 with the judicial enforcement of any debt,  
20 (5) any person collecting or attempting to collect  
21 any debt owed or due or asserted to be owed or  
22 due to another to the extent that:  
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1 (a) the activity is incidental to a bona fide  
2 fiduciary obligation or a bona fide escrow  
3 arrangement,

4 (b) the activity concerns a debt that was  
5 extended by the person,

6 (c) the activity concerns a debt that was not in  
7 default at the time it was obtained by the  
8 person, or

9 (d) the activity concerns a debt obtained by the  
10 person as a secured party in a commercial  
11 credit transaction involving the creditor,  
12 or

13 (6) any person whose principal business is the making  
14 of loans or the servicing of debt not in default  
15 and who acts as a loan correspondent, seller and  
16 servicer for the owner, or holder of a debt that  
17 is secured by a deed of trust on real property,  
18 whether or not the debt is also secured by an  
19 interest in personal property.

20 c. Notwithstanding the provisions of subparagraph b of  
21 this paragraph, collection agency includes any person  
22 who, in the process of collecting the person's own  
23 debts, uses another name that would indicate that a  
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1 third person is collecting or attempting to collect  
2 such debts;

3 3. a. "Consumer reporting agency" means any person that, for  
4 monetary fees or dues or on a cooperative nonprofit  
5 basis, regularly engages, in whole or in part, in the  
6 practice of assembling or evaluating consumer credit  
7 information or other information on consumers for the  
8 purpose of furnishing consumer reports to third  
9 parties. Consumer reporting agency includes any  
10 person defined in 15 U.S.C, Section 1681a(f) or a  
11 credit services organization as defined in Section 132  
12 of Title 24 of the Oklahoma Statutes.

13 b. Consumer reporting agency does not include any  
14 business entity that provides check verification or  
15 check guarantee services only;

16 4. a. "Debt" means any obligation or alleged obligation of a  
17 consumer to pay money arising out of a transaction,  
18 whether or not the obligation has been reduced to  
19 judgment.

20 b. Debt does not include a debt for business, investment,  
21 commercial, or agricultural purposes or a debt  
22 incurred by a business;

1 5. "Debt collector" means any person employed or engaged by a  
2 collection agency to perform the collection of debts owed or due or  
3 asserted to be owed or due to another;

4 6. "Federal Centers for Medicare and Medicaid Services" or  
5 "CMS" means the Centers for Medicare and Medicaid Services in the  
6 United States Department of Health and Human Services;

7 7. "Hospital" means, consistent with 45 CFR 180.20, a hospital  
8 licensed by the State Department of Health under Section 1-702 of  
9 Title 63 of the Oklahoma Statutes;

10 8. "Hospital price transparency laws" means:

11 a. Section 2718(e) of the "Public Health Service (PHS)  
12 Act", P.L. 78-410, as amended, and rules adopted by  
13 the United States Department of Health and Human  
14 Services implementing Section 2718(e), and

15 b. The Transparency in Health Care Prices Act, Section 1-  
16 725.1 of Title 63 of the Oklahoma Statutes; and

17 9. "Items and services" or "items or services" means items and  
18 services as defined in 45 CFR 180.20.

19 SECTION 2. NEW LAW A new section of law to be codified  
20 in the Oklahoma Statutes as Section 1-725.12 of Title 63, unless  
21 there is created a duplication in numbering, reads as follows:

22 A. 1. Except as provided in paragraph 2 of this subsection, on  
23 and after the effective date of this act, a hospital that is not in  
24 material compliance with hospital price transparency laws on the  
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1 date that items or services are purchased from or provided to a  
2 patient by the hospital shall not initiate or pursue a collection  
3 action against the patient or patient guarantor for a debt owed for  
4 the items or services.

5 2. This act applies, on and after June 1, 2024, to critical  
6 access hospitals licensed by the State Department of Health pursuant  
7 to 42 CFR 485 Subpart F.

8 B. If a patient believes that a hospital was not in material  
9 compliance with hospital price transparency laws on a date on or  
10 after the effective date of this act, that items or services were  
11 purchased by or provided to the patient, and the hospital takes a  
12 collection action against the patient or patient guarantor, the  
13 patient or patient guarantor may file suit to determine if the  
14 hospital was materially out of compliance with the hospital price  
15 transparency laws and rules and regulations on the date of service  
16 and if the noncompliance is related to the items or services. The  
17 hospital shall not take a collection action against the patient or  
18 patient guarantor while the lawsuit is pending.

19 C. A hospital that has been found by a judge or jury to be  
20 materially out of compliance with hospital price transparency laws  
21 and rules and regulations:

22 1. Shall refund the payer any amount of the debt the payer has  
23 paid and shall pay a penalty to the patient or patient guarantor in  
24 an amount equal to the total amount of the debt;

1           2. Shall dismiss or cause to be dismissed any court action with  
2 prejudice and pay any reasonable attorney fees and costs incurred by  
3 the patient or patient guarantor relating to the action; and

4           3. Shall remove or cause to be removed from the patient's or  
5 patient guarantor's credit report any report made to a consumer  
6 reporting agency relating to the debt.

7           D. In finding a hospital to be materially out of compliance  
8 with hospital price transparency laws and rules and regulations as  
9 described in subsection C of this section, specifically with respect  
10 to the federal component of hospital price transparency laws and  
11 rules and regulations, Section 2718(e) of the "Public Health Service  
12 (PHS) Act", P.L. 78-410, as amended, and rules adopted by the United  
13 States Department of Health and Human Services implementing Section  
14 2718(e), the judge or jury shall consider compliance standards  
15 issued by the federal Centers for Medicare and Medicaid Services.

16           E. Nothing in this act:

17           1. Prohibits a hospital from billing a patient, patient  
18 guarantor, or third-party payer, including a health insurer, for  
19 items or services provided to the patient; or

20           2. Requires a hospital to refund any payment made to the  
21 hospital for items or services provided to the patient, so long as  
22 no collection action is taken in violation of this act.



1 SECTION 3. This act shall become effective November 1, 2023.

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