

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 7478

To amend title XVIII of the Social Security Act to establish certain standards and requirements with respect to financial assistance and medical debt collection for hospitals participating in the Medicare program, and to amend title III of the Public Health Service Act to establish a grant program for purposes of medical debt relief.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 2026

Mr. VASQUEZ (for himself, Ms. STANSBURY, Mr. RUIZ, Ms. CASTOR of Florida, Mr. THANEDAR, Ms. CLARKE of New York, Ms. SCHRIER, Mr. GARCIA of California, Ms. BARRAGÁN, Mr. LANDSMAN, Mr. FROST, Ms. NORTON, Ms. CRAIG, Mr. GARCÍA of Illinois, Ms. SIMON, Mr. GOLDMAN of New York, Mr. HORSFORD, and Ms. DELBENE) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title XVIII of the Social Security Act to establish certain standards and requirements with respect to financial assistance and medical debt collection for hospitals participating in the Medicare program, and to amend title III of the Public Health Service Act to establish a grant program for purposes of medical debt relief.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Patient Debt Relief  
3 Act”.

4 **SEC. 2. ESTABLISHING STANDARDS AND REQUIREMENTS**  
5 **WITH RESPECT TO FINANCIAL ASSISTANCE**  
6 **AND MEDICAL DEBT COLLECTION AS CONDI-**  
7 **TION OF PARTICIPATION IN THE MEDICARE**  
8 **PROGRAM.**

9 Section 1866 of the Social Security Act (42 U.S.C.  
10 1395cc) is amended—

11 (1) in subsection (a)(1)—

12 (A) in subparagraph (X), by striking  
13 “and” at the end;

14 (B) in subparagraph (Y), by striking the  
15 period at the end and inserting “, and”; and

16 (C) by inserting after subparagraph (Y)  
17 the following new subparagraph:

18 “(Z) in the case of a hospital, beginning Janu-  
19 ary 1, 2028, to comply with the financial assistance  
20 and debt collection requirements described in sub-  
21 section (1).”;

22 (2) in subsection (b), by adding at the end the  
23 following new paragraph:

24 “(5)(A) A hospital that fails to comply with the re-  
25 quirements of subsection (a)(1)(Z) (relating to financial

1 assistance and debt collection) is subject to a civil mone-  
2 tary penalty under this paragraph.

3 “(B) The Secretary may impose a civil monetary pen-  
4 alty in an amount specified by the Secretary (but not to  
5 exceed \$1,000,000) for each instance of noncompliance  
6 with the requirements of subsection (a)(1)(Z), as deter-  
7 mined by the Secretary, if—

8 “(i) not later than 90 days after the date on  
9 which the Secretary determines such noncompliance  
10 exists, the Secretary submits to such hospital a noti-  
11 fication of such determination; and

12 “(ii) as of the date that is 45 days after such  
13 notification is sent, the Secretary determines that  
14 such hospital has not taken meaningful actions to  
15 come into compliance with such requirements.

16 The provisions of section 1128A (other than subsections  
17 (a) and (b)) shall apply to a civil monetary penalty under  
18 this paragraph in the same manner as such provisions  
19 apply to a penalty or proceeding under section  
20 1128A(a).”; and

21 (3) by adding at the end the following new sub-  
22 section:

23 “(1) FINANCIAL ASSISTANCE AND DEBT COLLECTION  
24 REQUIREMENTS.—

1           “(1) IN GENERAL.—For purposes of subsection  
2           (a)(1)(Z), the financial assistance and debt collection  
3           requirements are, with respect to a hospital—

4                   “(A) the financial assistance and charity  
5           care requirements described in paragraph (2);  
6           and

7                   “(B) the medical debt collection limitations  
8           described in paragraph (3).

9           “(2) FINANCIAL ASSISTANCE AND CHARITY  
10          CARE REQUIREMENTS.—For purposes of paragraph  
11          (1), the requirements described in this paragraph  
12          are, with respect to a hospital, the following:

13                   “(A) The hospital—

14                           “(i) has established a charity care or  
15                           financial assistance policy;

16                           “(ii) has established minimum eligi-  
17                           bility requirements with respect to such  
18                           charity care or financial assistance policy,  
19                           and has made such requirements publicly  
20                           available; and

21                           “(iii) has established a process for  
22                           screening individuals furnished items or  
23                           services by the hospital to determine  
24                           whether each such individual may be eligi-  
25                           ble for assistance with respect to payment

1           for such items or services pursuant to such  
2           charity care or financial assistance policy.

3           “(B) With respect to items or services fur-  
4           nished by the hospital to an individual who has  
5           applied for charity care or financial assistance  
6           under the policy described in subparagraph  
7           (A)(i), the hospital—

8                   “(i) determines, not later than 30  
9                   days before the date on which payment for  
10                  such items or services is due, whether such  
11                  individual is eligible for assistance with re-  
12                  spect to such payment pursuant to such  
13                  charity care or financial assistance policy;

14                   “(ii) in the case that a hospital deter-  
15                  mines pursuant to clause (i) that an indi-  
16                  vidual is ineligible for such charity care or  
17                  financial assistance policy with respect to  
18                  such payment, permits such individual to  
19                  appeal such determination; and

20                   “(iii) does not seek to collect such  
21                  payment from such individual until the de-  
22                  termination under clause (i) with respect  
23                  to such individual has been made.

1           “(C) The hospital includes with any bill for  
2           payment with respect to items or services fur-  
3           nished by the hospital to an individual—

4                   “(i) the minimum eligibility require-  
5                   ments described in subparagraph (A)(ii)  
6                   with respect to the charity care or financial  
7                   assistance policy of the hospital;

8                   “(ii) notice of the medical debt collec-  
9                   tion limitations described in paragraph (3),  
10                  including the repayment program described  
11                  in subparagraph (C)(ii) of such paragraph;  
12                  and

13                  “(iii) instructions for the individual to  
14                  submit to the hospital any information  
15                  that would be necessary for the hospital to  
16                  make a determination with respect to the  
17                  household income of such individual at the  
18                  time such items or services were furnished  
19                  for purposes of carrying out subparagraph  
20                  (D) of such paragraph.

21           “(3) MEDICAL DEBT COLLECTION LIMITA-  
22           TIONS.—For purposes of paragraph (1), the limita-  
23           tions described in this paragraph are, with respect to  
24           a hospital and medical debt owed to the hospital by  
25           an individual, that—

1           “(A) the hospital does not seek to place a  
2           lien on or foreclose upon the home of such indi-  
3           vidual in order to collect such medical debt;

4           “(B) the hospital does not seek to garnish  
5           the wages of such individual in order to collect  
6           such medical debt;

7           “(C) subject to subparagraph (D)(ii), the  
8           hospital does not sell or assign such medical  
9           debt to a debt collector unless—

10           “(i) more than 1 year has elapsed  
11           since the date on which payment for such  
12           items or services was due;

13           “(ii) the hospital makes available to  
14           the individual a repayment program under  
15           which the individual may make minimum  
16           monthly payments (provided that each  
17           such payment does not exceed 4 percent of  
18           the gross monthly income of such indi-  
19           vidual) toward the medical debt, and such  
20           individual fails to make 4 or more consecu-  
21           tive monthly payments under such repay-  
22           ment program or otherwise declines to par-  
23           ticipate in such repayment program; and

24           “(iii) such debt collector agrees to  
25           abide by the limitations described in sub-

1 paragraphs (A) and (B) for such hospital  
2 with respect to such medical debt; and

3 “(D) in the case that the hospital has re-  
4 ceived the necessary information to make the  
5 determination described in paragraph  
6 (2)(C)(iii), if the hospital determines that the  
7 household income of such individual was not in  
8 excess of 250 percent of the poverty line for the  
9 size of the family involved for the most recent  
10 taxable year at the time the items or services  
11 that are the subject of such medical debt were  
12 furnished, the hospital—

13 “(i) does not impose an annual inter-  
14 est rate with respect to such payment; and

15 “(ii) does not sell or assign such med-  
16 ical debt to a debt collector.

17 “(4) MONITORING COMPLIANCE.—

18 “(A) AUDITS.—Beginning January 1,  
19 2029, and not less frequently than annually  
20 thereafter, the Secretary shall conduct an audit  
21 of a random sample of hospitals to determine  
22 whether each such hospital is in compliance  
23 with the requirements of paragraph (1).

24 “(B) ONLINE PORTAL.—Not later than  
25 January 1, 2028, the Secretary shall establish

1 a secure internet website portal (or other suc-  
2 cessor technology) to permit individuals to re-  
3 port the noncompliance of a hospital with the  
4 requirements of paragraph (1), including non-  
5 compliance with the limitations described in  
6 subparagraphs (A) and (B) of paragraph (3) of  
7 a debt collector to which the hospital has sold  
8 or assigned medical debt.

9 “(5) DEFINITIONS.—In this subsection:

10 “(A) DEBT COLLECTOR.—The term ‘debt  
11 collector’ has the meaning given such term in  
12 section 803(6) of the Fair Debt Collection  
13 Practices Act (15 U.S.C. 1692a(6)).

14 “(B) MEDICAL DEBT.—The term ‘medical  
15 debt’ means, with respect to items or services  
16 furnished by a hospital to an individual, the  
17 debt (as defined in section 803(5) of the Fair  
18 Debt Collection Practices Act (15 U.S.C.  
19 1692a(5))) of such individual for such items or  
20 services.”.

21 **SEC. 3. MEDICAL DEBT RELIEF PROGRAM.**

22 Part P of title III of the Public Health Service Act  
23 (42 U.S.C. 280g et seq.) is amended by adding at the end  
24 the following new section:

1 **“SEC. 399V-8. MEDICAL DEBT RELIEF GRANT PROGRAM.**

2       “(a) IN GENERAL.—Not later than 1 year after the  
3 date of the enactment of this section, the Secretary shall  
4 establish a program under which the Secretary may make  
5 grants to not more than 1 eligible nonprofit organization  
6 to acquire and discharge the medical debt (as defined by  
7 the Secretary) of eligible individuals in accordance with  
8 this section.

9       “(b) APPLICATION.—An eligible nonprofit seeking a  
10 grant under this section shall submit an application at  
11 such time, in such form, and containing such information  
12 as the Secretary may require.

13       “(c) USE OF FUNDS.—Amounts provided under a  
14 grant under this section shall be used to—

15               “(1) identify eligible individuals; and

16               “(2) acquire and discharge the medical debt of  
17 such individuals.

18       “(d) NOTICE AND REPORTING REQUIREMENTS.—

19               “(1) NOTICE REQUIREMENT.—Not later than  
20 60 days after an eligible nonprofit organization that  
21 has received a grant under this section acquires and  
22 discharges the medical debt of an eligible individual  
23 under subsection (c), such eligible nonprofit organi-  
24 zation shall notify such individual of such acquisition  
25 and discharge.

1           “(2) REPORTING REQUIREMENT.—Not less fre-  
2           quently than once per calendar quarter, an eligible  
3           nonprofit organization that has received a grant  
4           under this section shall submit to the Secretary a re-  
5           port containing the following information with re-  
6           spect to the preceding calendar quarter:

7                   “(A) The actions taken by the eligible non-  
8                   profit organization to identify eligible individ-  
9                   uals.

10                   “(B) The number of eligible individuals  
11                   whose medical debt was acquired and dis-  
12                   charged by the eligible nonprofit organization,  
13                   and the amount of medical debt so acquired  
14                   and discharged.

15                   “(C) Such other information as the Sec-  
16                   retary may require.

17           “(e) DEFINITIONS.—In this section:

18                   “(1) ELIGIBLE INDIVIDUAL.—The term ‘eligible  
19                   individual’ means an individual with medical debt if,  
20                   for the most recent taxable year—

21                           “(A) such medical debt is equivalent to 5  
22                           percent or more of the modified adjusted gross  
23                           income of such individual; or

1           “(B) the household income of such indi-  
2           vidual is not in excess of 400 percent of the  
3           poverty line for the size of the family involved.

4           “(2) ELIGIBLE NONPROFIT ORGANIZATION.—  
5           The term ‘eligible nonprofit organization’ means a  
6           nonprofit organization with the mission of relieving  
7           individuals of their medical debt, as determined by  
8           the Secretary.

9           “(3) IRC TERMS.—The terms ‘household in-  
10          come’, ‘modified adjusted gross income’, and ‘pov-  
11          erty line’ have the meaning given each such term in  
12          section 36B of the Internal Revenue Code of 1986  
13          (26 U.S.C. 36B).

14          “(f) FUNDING.—There is authorized to be appro-  
15          priated for purposes of carrying out this section  
16          \$100,000,000 for fiscal year 2027, to remain available  
17          until expended.”.

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