

SENATE BILL NO. 724

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR COLEMAN.

2919S.01H

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 197, RSMo, by adding thereto three new sections relating to hospital pricing practices.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 197, RSMo, is amended by adding thereto
2 three new sections, to be known as sections 197.1040, 197.1045,
3 and 197.1050, to read as follows:

**197.1040. For purposes of sections 197.1040 to
2 197.1050, unless the context otherwise requires, the
3 following terms mean:**

4 (1) "Centers for Medicare and Medicaid Services", the
5 Centers for Medicare and Medicaid Services in the United
6 States Department of Health and Human Services;

7 (2) "Collection action", any of the following actions
8 taken with respect to a debt for items and services that
9 were provided to a patient by or purchased from a hospital
10 on a date during which the hospital was not in material
11 compliance with hospital price transparency laws:

12 (a) Attempting to collect a debt from a patient or
13 patient guarantor by referring the debt, directly or
14 indirectly, to a debt collector, a collection agency, or
15 other third party retained by or on behalf of the hospital;

16 (b) Suing the patient or patient guarantor or
17 enforcing an arbitration or mediation clause in any hospital

18 documents, including contracts, agreements, statements, or
19 bills; or

20 (c) Directly or indirectly causing a report to be made
21 to a consumer reporting agency;

22 (3) "Collection agency":

23 (a) Any:

24 a. Person who engages in a business, the principal
25 purpose of which is the collection of debts; or

26 b. Person who:

27 (i) Regularly collects or attempts to collect,
28 directly or indirectly, debts owed or due or asserted to be
29 owed or due to another;

30 (ii) Takes assignment of debts for collection purposes;

31 (iii) Directly or indirectly solicits for collection
32 debts owed or due or asserted to be owed or due to another;
33 or

34 (iv) Collects debts for the office of administration;

35 (b) Does not include:

36 a. Any officer or employee of a creditor while, in the
37 name of the creditor, collecting debts for such creditor;

38 b. Any person while acting as a collection agency for
39 another person, both of whom are related by common ownership
40 or affiliated by corporate control, if the person acting as
41 a collection agency does so only for creditors to whom it is
42 so related or affiliated and if the principal business of
43 the person is not the collection of debts;

44 c. Any officer or employee of the United States or any
45 state to the extent that collecting or attempting to collect
46 any debt is in the performance of the officer's or
47 employee's official duties;

48 d. Any person while serving or attempting to serve
49 legal process on any other person in connection with the
50 judicial enforcement of any debt;

51 e. Any person collecting or attempting to collect any
52 debt owed or due or asserted to be owed or due another to
53 the extent that:

54 (i) The activity is incidental to a bona fide
55 fiduciary obligation or a bona fide escrow arrangement;

56 (ii) The activity concerns a debt that was extended by
57 the person;

58 (iii) The activity concerns a debt that was not in
59 default at the time it was obtained by the person; or

60 (iv) The activity concerns a debt obtained by the
61 person as a secured party in a commercial credit transaction
62 involving the creditor; or

63 f. Any person whose principal business is the making
64 of loans or the servicing of debt not in default and who
65 acts as a loan correspondent, seller, and servicer for the
66 owner, or holder of a debt that is secured by a deed of
67 trust on real property, regardless of whether the debt is
68 also secured by an interest in personal property;

69 (c) Notwithstanding the provisions of paragraph (b) of
70 this subdivision to the contrary, the term "collection
71 agency" includes any person who, in the process of
72 collecting the person's own debts, uses another name that
73 would indicate that a third person is collecting or
74 attempting to collect such debts;

75 (4) "Consumer reporting agency", any person who, for
76 monetary fees or dues or on a cooperative nonprofit basis,
77 regularly engages, in whole or in part, in the practice of
78 assembling or evaluating consumer credit information or
79 other information on consumers for the purpose of furnishing

80 consumer reports to third parties. The term "consumer
81 reporting agency" includes any person defined in 15 U.S.C.
82 Section 1681a(f) and any consumer credit reporting agency
83 defined in section 407.1380. The term "consumer reporting
84 agency" does not include any business entity that provides
85 only check verification or check guarantee services;

86 (5) "Debt", any obligation or alleged obligation of a
87 consumer to pay moneys arising out of a transaction,
88 regardless of whether the obligation has been reduced to
89 judgment. The term "debt" does not include a debt for
90 business, investment, commercial, or agricultural purposes
91 or a debt incurred by a business;

92 (6) "Debt collector", any person employed or engaged
93 by a collection agency to perform the collection of debts
94 owed or due or asserted to be owed or due to another;

95 (7) "Hospital", a hospital:

96 (a) Licensed under this chapter; or

97 (b) Approved by the department of health and senior
98 services as meeting the standards established for licensing
99 a hospital in this state;

100 (8) "Hospital price transparency laws", Section
101 2718(e) of the Public Health Service Act, as amended, and
102 rules adopted by the United States Department of Health and
103 Human Services implementing Section 2718(e);

104 (9) "Items and services" or "items or services", items
105 and services as defined in 45 CFR 180.20.

197.1045. 1. On and after August 28, 2025, a hospital
2 that is not in material compliance with hospital price
3 transparency laws on the date that items or services are
4 provided to a patient by or purchased from the hospital
5 shall not initiate or pursue a collection action against the

6 patient or patient guarantor for a debt owed for the items
7 or services.

8 2. If a patient believes that a hospital was not in
9 material compliance with hospital price transparency laws on
10 a date on or after August 28, 2025, that items or services
11 were purchased by or provided to the patient, and the
12 hospital takes a collection action against the patient or
13 patient guarantor, the patient or patient guarantor may file
14 suit to determine if the hospital was materially out of
15 compliance with the hospital price transparency laws and
16 rules and regulations on the date of service and if the
17 noncompliance is related to the items or services. The
18 hospital shall not take a collection action against the
19 patient or patient guarantor while the lawsuit is pending.

20 3. A hospital that has been found by a judge or jury,
21 considering compliance standards issued by the Centers for
22 Medicare and Medicaid Services, to be materially out of
23 compliance with hospital price transparency laws and rules
24 and regulations:

25 (1) Shall refund the payer any amount of the debt the
26 payer has paid and shall pay a penalty to the patient or
27 patient guarantor in an amount equal to the total amount of
28 the debt or five thousand dollars for each violation,
29 whichever is greater, and an amount equal to one percent
30 interest per day from the date of occurrence;

31 (2) Shall dismiss or cause to be dismissed any court
32 action with prejudice and pay any costs incurred by the
33 patient or patient guarantor relating to the action; and

34 (3) Shall remove or cause to be removed from the
35 patient's or patient guarantor's credit report any report
36 made to a consumer reporting agency relating to the debt.

37 4. Nothing in this section:

38 (1) Prohibits a hospital from billing a patient,
39 patient guarantor, or third-party payer, including a health
40 insurer, for items or services provided to the patient; or

41 (2) Requires a hospital to refund any payment made to
42 the hospital for items or services provided to the patient,
43 so long as no collection action is taken in violation of
44 this section.

 197.1050. Any patient who pays a bill received from a
2 hospital charging the patient for items or services in an
3 amount that exceeds the price of the items or services
4 published by the hospital in accordance with hospital price
5 transparency laws may bring a civil action in circuit court
6 against the hospital and recover the difference between the
7 amount paid by the patient and the price of the items or
8 services published by the hospital in accordance with
9 hospital price transparency laws or five thousand dollars,
10 whichever is lower, and an amount equal to one percent
11 interest per day from the date of occurrence.

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