

JAN 21 2026

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# A BILL FOR AN ACT

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RELATING TO MEDICAL DEBT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. This Act shall be known as the "Medical Debt  
2 Protection and Patient Dignity Act".

3       SECTION 2. The Hawaii Revised Statutes is amended by  
4 adding a new chapter to be appropriately designated and to read  
5 as follows:

6                               **"CHAPTER**

7                               **PROHIBITED MEDICAL DEBT COLLECTION PRACTICES**

8       § -1 Definitions. As used in this chapter:

9       "Health care provider" means any person, corporation,  
10 facility, or institution licensed by the State to provide health  
11 care services including but not limited to a hospital, clinic,  
12 physician, physician group, or contractor providing medical  
13 services.

14       "Medical creditor" means any entity that provides health  
15 care services and to whom a patient owes money for health care  
16 services, or the entity that provided health care services and



1 to whom the patient previously owed money if the medical debt  
2 has been purchased by one or more debt buyers.

3 "Medical debt" means any obligation or alleged obligation  
4 arising from the receipt of medical care, services, productions,  
5 or hospitalization, including charges from hospitals, clinics,  
6 individual providers, and third-party contractors which includes  
7 physical groups.

8 "Non-emergency medically necessary care" means health care  
9 services required to diagnose, prevent, or treat an illness,  
10 injury, condition, disease, or the symptoms of a disease that  
11 are not classified as emergency services under the federal  
12 Emergency Medical Treatment and Labor Act or applicable state  
13 laws.

14 "Patient" means an individual receiving care or their  
15 legally responsible party.

16 "Primary residence" means the single property that serves  
17 as a patient's primary home.

18 "Revenue threshold" means a minimum of annual gross  
19 revenues of \$20,000,000 or more, calculated on a consolidated  
20 basis, including all subsidiaries and affiliates.



1 "Very low-income" means a household income that is less  
2 than or equal to five hundred per cent of the Federal Poverty  
3 Level as determined by the poverty guidelines issued annually by  
4 the United States Department of Health and Human Services.

5 § -2 Medical debt collection; lawsuits; asset seizure;  
6 wage garnishment; home liens; prohibited. No health care  
7 provider or medical creditor shall:

8 (1) File or maintain a civil lawsuit to collect medical  
9 debt from a very low-income patient or the patient's  
10 guarantor;

11 (2) Seek, obtain, or enforce wage garnishment, seizure or  
12 freezing of any bank account, or levy or execute on  
13 any personal property in satisfaction of medical debt  
14 against a patient or the patient's guarantor,  
15 regardless of income level; or

16 (3) Place or attempt to place a lien on the primary  
17 residence of a patient or the patient's guarantor in  
18 relation to any medical debt.

19 § -3 Sale of medical debt; prohibited. (a) No health  
20 care provider or medical creditor shall sell, transfer, assign,



1 or otherwise convey any patient medical debt to a third party  
2 for collection or profit.

3 (b) Any sale or transfer conducted in violation of this  
4 section shall be deemed null and void and the debt shall be  
5 considered legally uncollectible.

6 § -4 Denial of non-emergency medically necessary  
7 inpatient care; prohibition. (a) No health care provider whose  
8 annual gross revenues exceed the revenue threshold shall deny  
9 non-emergency medically necessary care to a patient based on the  
10 patient's:

- 11 (1) Inability to pay;  
12 (2) Outstanding medical debt; or  
13 (3) Incomplete payment history.

14 (b) Regardless of a patient's income status or prior  
15 collection history, any health care provider whose annual gross  
16 revenues exceed the revenue threshold shall:

- 17 (1) Offer non-emergency medically necessary care to a  
18 patient; and  
19 (2) Develop and publicly make available a clear financial  
20 assistance policy that ensures screening for financial  
21 need and access to health care.



1       §   -5   **Penalties.** (a) Any violation of this chapter  
2 shall be deemed an unfair or deceptive practice and shall be  
3 subject to the provisions of chapter 480D.

4       (b) A patient shall have a private right of action to  
5 obtain damages, injunctive relief, and attorneys' fees for any  
6 violation of this chapter.

7       (c) Any violation of this chapter shall be subject to the  
8 enforcement authority of the attorney general or the director of  
9 commerce and consumer affairs."

10       SECTION 3. If any provision of this Act, or the  
11 application thereof to any person or circumstance, is held  
12 invalid, the invalidity does not affect other provisions or  
13 applications of the Act that can be given effect without the  
14 invalid provision or application, and to this end the provisions  
15 of this Act are severable.

16       SECTION 4. This Act shall take effect on January 1, 2027.

17  
INTRODUCED BY:

*David M. R. [Signature]*



# S.B. NO. 2165

**Report Title:**

Department of Commerce and Consumer Affairs; Medical Debt;  
Health Care Providers; Medical Creditors; Debt Collection;  
Prohibition

**Description:**

Prohibits a health care provider or medical creditor from filing a civil lawsuit to collect medical debt from a patient whose household income is less than or equal to five hundred percent of the Federal Poverty Level. Prohibits a health care provider or medical creditor from engaging in certain debt collection practices. Prohibits a health care provider or medical creditor from selling medical debt. Prohibits a health care provider whose income exceeds a certain threshold from denying non-emergency medically necessary care to patients.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

