

JAN 23 2026

A BILL FOR AN ACT

RELATING TO HEALTH CARE.

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

1 SECTION 1. The legislature finds that medical debt has
2 grown significantly in the past few decades. Over forty per
3 cent of adults in the United States have medical debt, with
4 medical debt of all United States residents totaling over
5 \$220,000,000,000. While this figure is lower in Hawaii, with
6 one in ten residents having outstanding medical debt on their
7 credit report, the financial impact of medical debt is
8 particularly burdensome in the State given the high cost of
9 living. This debt reduces residents' access to health care
10 services, harms credit scores, and creates long-term economic
11 hardship.

12 The legislature further finds that California, Illinois,
13 and New York have alleviated the impact of medical debt on
14 health care providers by prohibiting medical debt information
15 from being reported to consumer credit reporting agencies and
16 several other states have considered similar measures. A
17 reporting prohibition would mitigate the impact of medical debt



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1 on the credit scores of health care providers. The legislature
2 recognizes the need for the State to follow suit and take steps
3 to alleviate the burden of medical debt on Hawaii residents.

4 Accordingly, the purpose of this Act is to prohibit:

5 (1) Health care facilities, health care providers, and
6 emergency medical services from furnishing medical
7 debt to a consumer credit reporting agency; and

8 (2) Consumer credit reporting agencies from reporting or
9 maintaining medical debt in the file on a consumer.

10 SECTION 2. Chapter 487J, Hawaii Revised Statutes, is
11 amended by adding a new section to be appropriately designated
12 and to read as follows:

13 **"§487J- Medical debt; consumer credit reporting**
14 **agencies; reporting prohibited.** (a) No health care facility,
15 health care provider, or emergency medical service shall furnish
16 medical debt to a consumer credit reporting agency.

17 (b) Any contract entered into between a health care
18 facility, health care provider, or emergency medical service and
19 a collection agency for the purchase or collection of medical
20 debt shall include a provision that prohibits reporting of
21 medical debt to a consumer credit reporting agency.



1 (c) Any medical debt furnished to a consumer credit
2 reporting agency in violation of this section shall be void.

3 (d) No consumer credit reporting agency shall report or
4 maintain medical debt in the file on a consumer.

5 (e) As used in this section:

6 "Collection agency" means a collection agency registered
7 under chapter 443B, an out-of-state collection agency designated
8 as exempt under section 443B-3.5, a collection agency contracted
9 with a state agency pursuant to section 40-82.5 for the
10 collection of medical debt, or a collection agency contracted
11 with a county for the collection of medical debt that either
12 purchases medical debt or collects medical debt on behalf of
13 another entity.

14 "Consumer credit reporting agency" has the same meaning as
15 defined in section 489P-2.

16 "Emergency medical service" means an emergency medical
17 service or ambulance service provided or conducted by or under
18 the authority of a county pursuant to part XI of chapter 46 or
19 under the state emergency medical services system pursuant to
20 part XVIII of chapter 321.



1 "Health care facility" means a facility regulated pursuant
2 to rules adopted under section 321-11(10).

3 "Health care provider" means an individual who is licensed,
4 certified, or otherwise authorized or permitted by the laws of
5 the State to provide health care in the ordinary course of
6 business or practice of the individual's profession. "Health
7 care provider" includes any agent, or other person employed by
8 or under contract with the health care provider.

9 "Medical debt" means an obligation or alleged obligation of
10 a consumer to pay any amount related to the receipt of health
11 care services, products, or devices provided to a person by a
12 health care facility, health care provider, or emergency medical
13 service. "Medical debt" does not include debt charged to a
14 credit card unless the credit card is issued as open-end credit
15 or closed-end credit, as those terms are defined in title 12
16 Code of Federal Regulations section 1026.2, offered specifically
17 for the payment of health care services, products, or devices
18 provided to a person."

19 SECTION 3. New statutory material is underscored.

20 SECTION 4. This Act shall take effect upon its approval.



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INTRODUCED BY: *Am*



S.B. NO. 3026

Report Title:

Health Care Facilities; Health Care Providers; Emergency Medical Services; Medical Debt; Consumer Credit Reporting Agencies

Description:

Prohibits health care facilities, health care providers, and emergency medical services from furnishing medical debt to a consumer credit reporting agency. Prohibits consumer credit reporting agencies from reporting or maintaining medical debt information in the file on a consumer.

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