
SENATE BILL NO. 248—SENATOR DONDERO LOOP

MARCH 15, 2021

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to the collection of medical debt. (BDR 54-576)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to collection agencies; requiring a collection agency to notify a debtor before taking any action to collect a medical debt; prohibiting certain practices relating to the collection of medical debt; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law: (1) requires any person who operates a collection agency or
2 otherwise engages in the collection of claims for others to obtain a license from the
3 Commissioner of Financial Institutions; and (2) prohibits a collection agency or its
4 manager, agents or employees from engaging in certain practices. (NRS 649.075,
5 649.375) **Section 2** of this bill defines the term “medical debt” to mean any debt
6 owed for goods or services provided by a medical facility, a provider of health care
7 or a provider of emergency medical services. **Sections 3-6** of this bill define other
8 terms related to medical debt. **Section 9** of this bill makes a conforming change to
9 indicate the placement of **sections 2-6** in the Nevada Revised Statutes. **Section 7** of
10 this bill requires a collection agency to provide written notice to a person who owes
11 a medical debt at least 60 days before taking any action to collect the medical debt.
12 **Section 8** of this bill prohibits a collection agency, or its manager, agents or
13 employees, from engaging in certain practices relating to the collection of a medical
14 debt.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 649 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 8, inclusive, of this
3 act.

4 **Sec. 2.** *“Medical debt” means any debt owed for goods or*
5 *services provided by a medical facility, a provider of health care or*
6 *a provider of emergency medical services.*

7 **Sec. 3.** *“Medical debtor” means a debtor who owes a medical*
8 *debt.*

9 **Sec. 4.** *“Medical facility” has the meaning ascribed to it in*
10 *NRS 449.0151.*

11 **Sec. 5.** *“Provider of emergency medical services” means:*

12 1. *The operator of an ambulance or air ambulance; or*

13 2. *A fire-fighting agency which provides transportation for*
14 *persons in need of emergency services and care to hospitals.*

15 **Sec. 6.** *“Provider of health care” has the meaning ascribed*
16 *to it in NRS 629.031.*

17 **Sec. 7.** 1. *Not less than 60 days before taking any action to*
18 *collect a medical debt, a collection agency shall provide to the*
19 *medical debtor written notification that sets forth:*

20 (a) *The name of the medical facility, provider of health care or*
21 *provider of emergency medical services that provided the goods or*
22 *services for which the medical debt is owed;*

23 (b) *The date on which those goods or services were provided;*

24 (c) *Whether a third party has been billed for those goods or*
25 *services and the current status of the bill; and*

26 (d) *Whether the medical facility, provider of health care or*
27 *provider of emergency medical services offers a program of*
28 *financial assistance for medical debtors.*

29 2. *As used in this section, “third party” means:*

30 (a) *An insurer, as that term is defined in NRS 679B.540;*

31 (b) *A health benefit plan, as that term is defined in NRS*
32 *687B.470, for employees which provides coverage for services and*
33 *care provided by a medical facility, provider of health care or*
34 *provider of emergency medical services;*

35 (c) *A participating public agency, as that term is defined in*
36 *NRS 287.04052, and any other local governmental agency of the*
37 *State of Nevada which provides a system of health insurance for*
38 *the benefit of its officers and employees, and the dependents of*
39 *officers and employees, pursuant to chapter 287 of NRS; or*

40 (d) *Any other insurer or organization providing health*
41 *coverage or benefits in accordance with state or federal law.*



1 ↳ *The term does not include an insurer that provides coverage*
2 *under a policy of casualty or property insurance.*

3 **Sec. 8.** *A collection agency, or its manager, agents or*
4 *employees, shall not, for any medical debt:*

5 1. *Take any confession of judgment or any power of attorney*
6 *running to the collection agency or to any third person to confess*
7 *judgment or to appear for the debtor in a judicial proceeding.*

8 2. *Commence a civil action to collect the medical debt if the*
9 *amount of the medical debt, excluding interest, late fees, collection*
10 *costs, attorney's fees and any other fees or costs, is less than the*
11 *maximum jurisdictional amount set forth in subsection of*
12 *NRS 73.010.*

13 3. *Charge or collect a fee of more than 5 percent of the*
14 *amount of the medical debt, excluding interest, late fees, collection*
15 *costs, attorney's fees and any other fees or costs, as a collection*
16 *fee or as an attorney's fee for the collection of the medical debt.*

17 **Sec. 9.** NRS 649.005 is hereby amended to read as follows:

18 649.005 As used in this chapter, unless the context otherwise
19 requires, the words and terms defined in NRS 649.010 to 649.035,
20 inclusive, *and sections 2 to 6, inclusive, of this act* have the
21 meanings ascribed to them in those sections.

22 **Sec. 10.** This act becomes effective on July 1, 2021.

