

# SENATE BILL NO. 449

June 26, 2025, Introduced by Senators ANTHONY, LINDSEY, MCMORROW, GEISS, POLEHANKI, BAYER, MCBROOM, CHANG, CAVANAGH, CAMILLERI and MOSS and referred to Committee on Health Policy.

A bill to require hospitals to develop and implement financial assistance programs for certain patients; to provide for the powers and duties of certain state and local governmental officers and entities; to allow for the promulgation of rules; and to prescribe civil sanctions and remedies.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. (1) This act may be cited as the "hospital financial  
2 assistance act".

3           (2) As used in this act, the words and phrases defined in

1 sections 3 to 4 have the meanings ascribed to them in those  
2 sections.

3 Sec. 3. (1) "Department" means the department of health and  
4 human services.

5 (2) "Director" means the director of the department.

6 (3) "Federal poverty guidelines" means the poverty guidelines  
7 revised periodically and published in the Federal Register by the  
8 secretary of the United States Department of Health and Human  
9 Services under the secretary's authority to revise the poverty line  
10 under 42 USC 9902.

11 (4) "Financial assistance program" or "program" means the  
12 financial assistance program required under section 5.

13 (5) "Health benefit plan" means an individual or group  
14 expense-incurred hospital, medical, or surgical policy or  
15 certificate, an individual or group health maintenance organization  
16 contract, or a self-funded plan established or maintained by this  
17 state or a local unit of government for its employees. Health  
18 benefit plan does not include accident-only, credit, dental, or  
19 disability income insurance; long-term care insurance; coverage  
20 issued as a supplement to liability insurance; coverage only for a  
21 specified disease or illness; worker's compensation or similar  
22 insurance; or automobile medical-payment insurance.

23 (6) "Hospital" means that term as defined in section 20106 of  
24 the public health code, 1978 PA 368, MCL 333.20106.

25 Sec. 4. (1) "Income" means that term as defined in section 510  
26 of the income tax act of 1967, 1967 PA 281, MCL 206.510.

27 (2) "Insured patient" means a patient who is enrolled in  
28 Medicaid or Medicare or is covered under a health benefit plan.

29 (3) "Medicaid" means the program of medical assistance

1 established under title XIX of the social security act, 42 USC 1396  
2 to 1396w-8, and administered by the department under the social  
3 welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

4 (4) "Medicare" means the federal Medicare program established  
5 under title XVIII of the social security act, 42 USC 1395 to 1395III.

6 (5) "Uninsured patient" means a patient who is not an insured  
7 patient.

8 Sec. 5. (1) By January 1, 2027, a hospital shall develop and  
9 implement a financial assistance program for patients receiving  
10 care from the hospital.

11 (2) A program must comply with all of the following:

12 (a) Base patient eligibility on objective metrics that are  
13 tied to federal poverty guidelines.

14 (b) Include in the program a patient who owes the hospital 1  
15 or more unpaid bills in a 12-month period that, in total, are  
16 greater than 30% of the patient's annual income.

17 (c) Provide for up to a 100% discount based on a sliding scale  
18 for a patient who is an uninsured patient and whose annual income  
19 is at or below 350% of the federal poverty guidelines.

20 (d) Consider the financial resources and out-of-pocket  
21 expenses of a patient who is covered under a health benefit plan.

22 Sec. 7. (1) A hospital shall conspicuously publish information  
23 on the hospital's financial assistance program on all of the  
24 following:

25 (a) A bill, invoice, or summary of charges sent to a patient.

26 (b) A statement or written notification sent to a patient  
27 before a patient's medical debt to the hospital is sent to a  
28 collection agency.

29 (c) The hospital's website.

1 (2) A hospital shall ensure that information on the hospital's  
2 financial assistance program meets all of the following:

3 (a) Is written in easily understood, nontechnical terms.

4 (b) Includes information on how to reach a department or an  
5 employee of the hospital to inquire about the financial assistance  
6 program.

7 (c) Is available on request in English, Spanish, and in other  
8 languages, as determined appropriate by the department.

9 (d) Includes information on how to file a complaint for a  
10 violation of this act or a rule promulgated under this act.

11 Sec. 9. (1) Subject to subsection (2), by October 1, 2027, a  
12 hospital shall submit an annual report to the director that  
13 includes all of the following information:

14 (a) The number of applications for the hospital's financial  
15 assistance program that was received and processed by the hospital.

16 (b) The amount and types of benefits provided by the hospital  
17 under the hospital's financial assistance program.

18 (c) The amount of uncollected or forgiven debt that the  
19 hospital provides to patients who do not qualify for the hospital's  
20 financial assistance program.

21 (2) If a hospital is part of a health system with more than 1  
22 hospital, the health system may file 1 annual report under this  
23 section containing the information for each hospital in the health  
24 system. If a health system files the report under this subsection,  
25 the health system shall ensure that the report is organized in a  
26 manner to identify the information required under subsection (1)  
27 for each hospital, by hospital name and location.

28 (3) The department shall publish the reports the department  
29 receives under this section on the department's website in an area

1 that is accessible to the public.

2 Sec. 10. (1) The department shall establish by rule a uniform  
3 process for a hospital to collect information on a patient's income  
4 for determining eligibility for the hospital's financial assistance  
5 program. Subject to subsection (4), in establishing the process  
6 described in this subsection, the department shall consider all of  
7 the following:

8 (a) The convenience of a patient when submitting information  
9 to a hospital.

10 (b) A patient's ease of access to any technology that is  
11 required by the department.

12 (2) A hospital shall comply with the process developed by the  
13 department under subsection (1).

14 (3) A patient's failure to provide the information required  
15 under subsection (1) to a hospital using the process developed  
16 under this section is an affirmative defense to an action brought  
17 under section 11 or 13.

18 (4) In developing the process described in subsection (1), the  
19 department shall consult with hospitals and organizations  
20 representing hospitals and the department may consult with the  
21 department of treasury or any other department of this state that  
22 the department considers necessary or appropriate.

23 Sec. 11. (1) A person may notify the department of a violation  
24 of this act or a rule promulgated under this act on a form and in a  
25 manner prescribed by the department. The department shall  
26 investigate each complaint received in a timely manner.

27 (2) If, after investigation by the department, it is the  
28 judgment of the department that a person has engaged in an act or  
29 practice that constitutes a violation of this act, the director may

1 request the attorney general to bring an action in the name of the  
2 people of this state to restrain, enjoin, prevent, or correct a  
3 violation of this act or a rule promulgated under this act.

4 Sec. 13. A hospital that violates this act is subject to a  
5 civil fine of not more than \$10,000.00. The attorney general may  
6 bring an action to collect the fine. A fine collected must be  
7 deposited in the medical debt relief fund created in section 17.

8 Sec. 17. (1) The medical debt relief fund is created in the  
9 state treasury.

10 (2) The state treasurer shall deposit money received under  
11 section 13 or from any other source in the fund. The state  
12 treasurer shall direct the investment of money in the fund and  
13 credit interest and earnings from the investments to the fund.

14 (3) The department is the administrator of the fund for audits  
15 of the fund.

16 (4) The department shall expend money from the fund on  
17 appropriation only to implement programs to relieve medical debt in  
18 this state.

19 Sec. 19. The department may promulgate rules pursuant to the  
20 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
21 24.328, to implement this act.