

SECOND REGULAR SESSION

# SENATE BILL NO. 1267

## 103RD GENERAL ASSEMBLY

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INTRODUCED BY SENATOR MOON.

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KRISTINA MARTIN, Secretary

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### AN ACT

To amend chapter 197, RSMo, by adding thereto two new sections relating to hospital price transparency laws.

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*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 two new sections, to be known as sections 197.1040 and 197.1045,  
3 to read as follows:

197.1040. For purposes of this section, unless the  
2 context otherwise requires, the following terms mean:  
3 (1) "Centers for Medicare and Medicaid Services", the  
4 Centers for Medicare and Medicaid Services in the United  
5 States Department of Health and Human Services;

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

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

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

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

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

21 (3) "Collection agency":

22 (a) Any:

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

25 b. Person who:

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

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

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

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

34 (b) Does not include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

94 (7) "Hospital", a hospital:

95 (a) Licensed under this chapter; or

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

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

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

197.1045. 1. On and after August 28, 2026, a hospital  
2 that is not in material compliance with hospital price  
3 transparency laws on the date that items or services are  
4 purchased from, or provided to a patient by, 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, 2026, 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;

29           (2) Shall dismiss or cause to be dismissed any court  
30 action with prejudice and pay any attorney's fees and costs  
31 incurred by the patient or patient guarantor relating to the  
32 action; and

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

36       4. Nothing in this section:

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