

SENATE BILL No. 85

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-6-2-13; IC 16-18-2-52.5; IC 16-21; IC 24-4.5-5-105; IC 32-28-16; IC 34-55-9.

Synopsis: Health care debt and costs. Authorizes the attorney general to enforce provisions concerning wage garnishment and principal residence lien restrictions and establish a complaint process. Requires hospitals to do the following: (1) Offer a person who meets certain income guidelines and has received health services the opportunity to pay the charges through a payment plan that satisfies certain requirements. (2) Develop a written notice about a charity care program operated by the hospital, provide the notice to patients, and post the notice. (3) Include certain information concerning financial assistance on a billing statement. (4) Requires a hospital that reports an annual gross patient revenue of at least \$20,000,000 to provide written notice and information to a person who has requested an eligibility determination concerning a payment plan or charity care. Provides that the unpaid earnings of a consumer who meets specified income eligibility requirements may not be attached by garnishment if an individual makes 200% of the federal income poverty level or less, and limits the amount to be garnished over a certain amount of the individual's disposable earnings in satisfaction of: (1) health care debt owed or alleged to be owed by the consumer; or (2) any amount of the judgment that represents health care debt determined to be owed by the consumer. Provides that: (1) health care debt owed or alleged to be owed by a consumer; or (2) in an action against a consumer in which a judgment has been entered, the amount of the judgment that represents health care debt determined to be owed by the consumer; does not constitute a lien against the consumer's principal residence for a consumer. Provides that in any action filed in Indiana for the recovery
(Continued next page)

Effective: Upon passage; July 1, 2026.

Qaddoura, Charbonneau

December 8, 2025, read first time and referred to Committee on Health and Provider Services.



Digest Continued

of health care debt owed or alleged to be owed by a consumer, the principal residence of the consumer is not liable to judgment or attachment or to be sold on execution against the consumer.



Introduced

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

SENATE BILL No. 85

A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-6-2-13 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2026]: **Sec. 13. (a) The attorney general may enforce the**
4 **provisions concerning wage garnishment under IC 24-4.5-5-105**
5 **and principal residence liens and IC 32-28-16.**

6 **(b) The attorney general may bring any enforcement action**
7 **under IC 24-5-0.5-4. The attorney general shall establish a**
8 **complaint process for an aggrieved individual of the public to file**
9 **a complaint against a medical creditor or medical debt collector**
10 **that violates IC 24-4.5-5-105 or IC 32-28-16. A complaint filed**
11 **under this section is considered a public record under IC 5-14-3.**
12 **However, the attorney general shall redact the name, address, and**
13 **any personal identifying information of the complainant.**

14 SECTION 2. IC 16-18-2-52.5, AS AMENDED BY P.L.188-2025,
15 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2026]: Sec. 52.5. (a) "Charity care", for purposes of IC 16-21-6, **IC 16-21-6.1**, IC 16-21-9, and IC 16-40-6, means the unreimbursed cost to a hospital of providing, funding, or otherwise financially supporting health care services:

(1) to a person classified by the hospital as financially indigent or medically indigent on an inpatient or outpatient basis; and

(2) to financially indigent patients through other nonprofit or public outpatient clinics, hospitals, or health care organizations.

(b) As used in this section, "financially indigent" means an uninsured or underinsured person who is accepted for care with no obligation or a discounted obligation to pay for the services rendered based on the hospital's financial criteria and procedure used to determine if a patient is eligible for charity care. The criteria and procedure must include income levels and means testing indexed to the federal poverty guidelines. A hospital may determine that a person is financially or medically indigent under the hospital's eligibility system after health care services are provided.

(c) As used in this section, "medically indigent" means a person whose medical or hospital bills after payment by third party payors exceed a specified percentage of the patient's annual gross income as determined in accordance with the hospital's eligibility system, and who is financially unable to pay the remaining bill.

SECTION 3. IC 16-21-6.1 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 6.1. Hospitals' Billing Practices and Financial Disclosures to Patients

Sec. 1. (a) This section applies to health care services provided to a person by a hospital after June 30, 2026.

(b) With respect to any bill that:

(1) is for a person that has either:

(A) an income that is below four hundred percent (400%) of the federal income poverty level (as defined in IC 12-15-2-1); or

(B) a total bill that is greater than ten percent (10%) of the person's gross monthly household income;

(2) includes charges for health care services provided to a person by a hospital; and

(3) is submitted to that person for payment;

a hospital shall offer the person the opportunity to pay the listed charges through a payment plan that satisfies the requirements set forth in this section.



1 (c) A hospital's offer under subsection (b) must:

- 2 (1) be in writing and communicated in plain language;
3 (2) include instructions for how the person may enter into a
4 payment plan; and
5 (3) if the offer is included in the bill for the charges to which
6 the offer pertains, be printed in prominent type on the front
7 of the first page of the bill.

8 (d) A hospital may provide a person the offer required by
9 subsection (b):

- 10 (1) in a writing delivered to the person;
11 (2) by electronic mail; or
12 (3) through a mobile application or another Internet based
13 method, if available;

14 according to the person's expressed preference for
15 communications.

16 (e) If a person accepts a hospital's offer to enter into a payment
17 plan under this section, the hospital shall provide, in the manner
18 described in subsection (d), a written copy of the payment plan to
19 the person not later than five (5) business days after the payment
20 plan is executed by both parties. The plan must prominently
21 disclose:

- 22 (1) the rate of any interest that will be applied to unpaid
23 balances under the plan; and
24 (2) the date by which the account will be paid in full, assuming
25 that all scheduled payments will be made when due.

26 A person is not required to make a payment under the payment
27 plan until a written copy of the payment plan has been provided to
28 the person under this section in the manner described in subsection
29 (d).

30 (f) A hospital's payment plan under this section must satisfy the
31 following:

- 32 (1) The payment plan must allow payments to be made over
33 a period of at least twenty-four (24) months.
34 (2) The amount of any one (1) monthly payment may not
35 exceed ten percent (10%) of the person's gross monthly
36 household income.
37 (3) The first payment under the plan may not be due before
38 thirty (30) days have elapsed from the latest date of service
39 for the health care services to which the payment plan
40 pertains.
41 (4) Payments under the plan must be suspended without
42 penalty during the pendency of any appeal by the person for



the denial of insurance or other third party coverage for the health care services to which the payment plan pertains if the patient provides the hospital with documentation of the appeal. Payments under the plan may resume after sixty (60) days from the date the hospital receives documentation of the appeal unless the patient provides additional documentation concerning the pending appeal.

(5) The maximum interest rate assessed may not exceed three percent (3%) per year.

Sec. 2. (a) A hospital shall develop a written notice about any charity care program operated by the hospital and about the procedures by which a person may apply for the charity care program. The notice must be in English and, to the extent practicable, in any other prevalent language used in the communities served by the hospital. The notice must be:

(1) provided to a person at the time of intake or discharge of the person; and

(2) conspicuously posted in the waiting area of the emergency room, if any, and the admissions intake area of the hospital.

(b) The hospital must include on a patient's billing statement the following information:

(1) A statement that financial assistance is available.

(2) The telephone number to call to obtain information concerning financial assistance.

(3) An Internet link to a web page that includes information and any documentation concerning obtaining financial assistance.

Sec. 3. (a) This section applies to:

(1) a hospital that had gross patient revenue of at least twenty million dollars (\$20,000,000) during the hospital's immediately preceding fiscal year, as reported to the state department under IC 16-21-6-3; and

(2) emergency or medically necessary health care services provided to a person by the hospital after June 30, 2026.

(b) As used in this section, "gross patient revenue" has the meaning set forth in IC 16-21-6-1.

(c) If a person requests a determination of eligibility for a payment plan or charity care program administered by the hospital, the hospital shall provide written notice as provided in subsection (d) not later than fourteen (14) days from the person's request.

(d) The written notice under subsection (c) must include the



following:

(1) A statement notifying the person as to whether the person is eligible for the hospital's payment plan or charity care program.

(2) If the hospital has determined that the person is eligible for the hospital's payment plan or charity care program, an offer to enroll the person in the payment plan or charity care program to the extent the hospital is able to do so under any:

(A) funding limits;

(B) enrollment limits; or

(C) other limits, caps, or restrictions;

applicable to the payment plan or charity care program at the time of the person's enrollment.

(3) Instructions for how the person may enroll in the payment plan or charity care program.

(e) A hospital may provide notice to a person under subsection (d):

(1) in a writing delivered to the person;

(2) by electronic mail; or

(3) through a mobile application or another Internet based method, if available;

according to the preference expressed by the person to whom emergency or medically necessary health care services have been provided.

Sec. 4. The state department may take action to enforce this chapter under IC 16-21-3.

SECTION 4. IC 16-21-9-7, AS AMENDED BY P.L.6-2012, SECTION 115, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) Each nonprofit hospital shall prepare an annual report of the community benefits plan. The report must include, in addition to the community benefits plan itself, the following background information:

(1) The hospital's mission statement.

(2) A disclosure of the health care needs of the community that were considered in developing the hospital's community benefits plan.

(3) A disclosure of the amount and types of community benefits actually provided, including charity care. Charity care must be reported as a separate item from other community benefits.

(b) Each nonprofit hospital shall annually file a report of the community benefits plan with the state department. For a hospital's fiscal year that ends before July 1, 2011, the report must be filed not



1 later than one hundred twenty (120) days after the close of the
 2 hospital's fiscal year. For a hospital's fiscal year that ends after June 30,
 3 2011, the report must be filed at the same time the nonprofit hospital
 4 files its annual return described under Section 6033 of the Internal
 5 Revenue Code that is timely filed under Section 6072(e) of the Internal
 6 Revenue Code, including any applicable extension authorized under
 7 Section 6081 of the Internal Revenue Code.

8 (c) Each nonprofit hospital shall prepare a statement that notifies the
 9 public that the annual report of the community benefits plan is:

- 10 (1) public information;
- 11 (2) filed with the state department; and
- 12 (3) available to the public on request from the state department.

13 This statement shall be posted in prominent places throughout the
 14 hospital, including the emergency room waiting area and the
 15 admissions office waiting area. The statement shall also be printed in
 16 the hospital patient guide or other material that provides the patient
 17 with information about the admissions criteria of the hospital.

18 (d) Each nonprofit hospital shall develop, **provide, and post** a
 19 written notice about any charity care program operated by the hospital
 20 ~~and how to apply for charity care. The notice must be in appropriate~~
 21 ~~languages if possible. The notice must also be conspicuously posted in~~
 22 ~~the following areas:~~

- 23 ~~(1) The general waiting area.~~
- 24 ~~(2) The waiting area for emergency services.~~
- 25 ~~(3) The business office.~~
- 26 ~~(4) Any other area that the hospital considers an appropriate area~~
 27 ~~in which to provide notice of a charity care program. in~~
 28 **accordance with IC 16-21-6.1-2.**

29 SECTION 5. IC 24-4.5-5-105, AS AMENDED BY P.L.78-2014,
 30 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2026]: Sec. 105. (1) For the purposes of IC 24-4.5-5-101
 32 through IC 24-4.5-5-108:

- 33 (a) "disposable earnings" means that part of the earnings of an
 34 individual, including wages, commissions, income, rents, or
 35 profits remaining after the deduction from those earnings of
 36 amounts required by law to be withheld;
- 37 (b) "garnishment" means any legal or equitable proceedings
 38 through which the earnings of an individual are required to be
 39 withheld by a garnishee, by the individual debtor, or by any other
 40 person for the payment of a judgment; ~~and~~
- 41 (c) **"health care debt" means an obligation or an alleged**
 42 **obligation of a consumer to pay an amount related to the**



receipt of medically necessary (as defined in IC 27-1-37.5-5.4) health care services, products, or devices provided to a person by a health care provider. The term does not include debt charged to a credit card unless the credit card is issued under:

(i) an open-end plan; or

(ii) a closed-end plan;

offered specifically for the payment of health care services, products, or devices provided to a person;

(d) as used in this section, "health care provider" means:

(i) a hospital or facility listed in IC 16-39-7-1(a)(13); or

(ii) a provider of ambulance services (as defined in IC 16-18-2-13.4).

The term includes an affiliate, officer, agent, or employee of a person described in item (i) or (ii); and

(e) "support withholding" means that part of the earnings that are withheld from an individual for child support in accordance with the laws of this state.

(2) Except as provided in subsection (8) and subsection (9), the maximum part of the aggregate disposable earnings of an individual for any workweek which is subjected to garnishment to enforce the payment of one (1) or more judgments against the individual may not exceed the lesser of the following amounts:

(a) An amount equal to twenty-five percent (25%) of the individual's disposable earnings for that week or, upon a showing of good cause by the individual why the amount should be reduced, an amount equal to:

(i) less than twenty-five percent (25%); and

(ii) at least ten percent (10%);

of the individual's disposable earnings for that week.

(b) The amount by which the individual's disposable earnings for that week exceed thirty (30) times the federal minimum hourly wage prescribed by 29 U.S.C. 206(a)(1) in effect at the time the earnings are payable.

In the case of earnings for a pay period other than a week, the earnings shall be computed upon a multiple of the federal minimum hourly wage equivalent to thirty (30) times the federal minimum hourly wage as prescribed in this section.

(3) The maximum part of the aggregate disposable earnings of an individual for any workweek which is subject to garnishment or support withholding to enforce any order for the support of any person shall not exceed:

(a) where such individual is supporting the individual's spouse or



1 dependent child (other than a spouse or child with respect to
 2 whose support such order is used), fifty percent (50%) of such
 3 individual's disposable earnings for that week; and

4 (b) where such individual is not supporting such a spouse or
 5 dependent child described in subdivision (a), sixty percent (60%)
 6 of such individual's disposable earnings for that week;

7 except that, with respect to the disposable earnings of any individual
 8 for any workweek, the fifty percent (50%) specified in subdivision (a)
 9 shall be deemed to be fifty-five percent (55%) and the sixty percent
 10 (60%) specified in subdivision (b) shall be deemed to be sixty-five
 11 percent (65%), if and to the extent that such earnings are subject to
 12 garnishment or support withholding to enforce a support order with
 13 respect to a period which is prior to the twelve (12) week period which
 14 ends with the beginning of such workweek.

15 (4) No court may make, execute, or enforce an order or process in
 16 violation of this section.

17 (5) An employer who is required to make deductions from an
 18 individual's disposable earnings pursuant to a garnishment order or
 19 series of orders arising out of the same judgment debt (excluding a
 20 judgment for payment of child support) may collect, as a fee to
 21 compensate the employer for making these deductions, an amount
 22 equal to the greater of twelve dollars (\$12) or three percent (3%) of the
 23 total amount required to be deducted by the garnishment order or series
 24 of orders arising out of the same judgment debt. If the employer
 25 chooses to impose a fee, the fee shall be allocated as follows:

26 (a) One-half (1/2) of the fee shall be borne by the debtor, and that
 27 amount may be deducted by the employer directly from the
 28 employee's disposable earnings.

29 (b) One-half (1/2) of the fee shall be borne by the creditor, and
 30 that amount may be retained by the employer from the amount
 31 otherwise due the creditor.

32 The deductions made under this subsection for a collection fee do not
 33 increase the amount of the judgment debt for which the fee is collected
 34 for the purpose of calculating or collecting judgment interest. This fee
 35 may be collected by an employer only once for each garnishment order
 36 or series of orders arising out of the same judgment debt. The employer
 37 may collect the entire fee from one (1) or more of the initial deductions
 38 from the employee's disposable earnings. Alternatively, the employer
 39 may collect the fee ratably over the number of pay periods during
 40 which deductions from the employee's disposable earnings are
 41 required.

42 (6) The deduction of the garnishment collection fee under



subsection (5)(a) or subsection (7) is not an assignment of wages under IC 22-2-6.

(7) An employer who is required to make a deduction from an individual's disposable earnings in accordance with a judgment for payment of child support may collect a fee of two dollars (\$2) each time the employer is required to make the deduction. The fee may be deducted by the employer from the individual's disposable earnings each time the employer makes the deduction for support. If the employer elects to deduct such a fee, the amount to be deducted for the payment of support must be reduced accordingly if necessary to avoid exceeding the maximum amount permitted to be deducted under subsection (3).

(8) A support withholding order takes priority over a garnishment order irrespective of their dates of entry or activation. If a person is subject to a support withholding order and a garnishment order, the garnishment order shall be honored only to the extent that disposable earnings withheld under the support withholding order do not exceed the maximum amount subject to garnishment as computed under subsection (2).

(9) For health care debt, the maximum part of the aggregate disposable earnings of an individual for any workweek which is subjected to garnishment to enforce the payment of one (1) or more judgments against the individual concerning health care debt may not exceed the following amounts:

(a) For an individual who earns two hundred percent (200%) or less of the federal income poverty level, zero dollars (\$0).

(b) For an individual who earns above two hundred percent (200%) of the federal income poverty level, not more than ten percent (10%) of the individual's disposable earnings for that week that are above the two hundred percent (200%) of the federal income poverty level.

SECTION 6. IC 32-28-16 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 16. Prohibition Against Lien on Principal Residence of a Consumer for Health Care Debt

Sec. 1. (a) As used in this chapter, "consumer" means an individual whose principal residence is in Indiana.

(b) The term includes the following:

(1) A protected consumer (as defined in IC 24-5-24.5-4).

(2) A representative acting on behalf of a protected consumer (as defined in IC 24-5-24.5-4).



1 **Sec. 2. (a)** As used in this chapter, "health care debt" means an
 2 obligation or an alleged obligation of a consumer to pay an amount
 3 related to the receipt of medically necessary (as defined in
 4 IC 27-1-37.5-5.4) health care services, products, or devices
 5 provided to a person by a health care provider.

6 **(b)** The term does not include debt charged to a credit card
 7 unless the credit card is issued under:

- 8 (1) an open-end plan; or
- 9 (2) a closed-end plan;

10 offered specifically for the payment of health care services,
 11 products, or devices provided to a person.

12 **Sec. 3.** As used in this chapter, "health care provider" means:

- 13 (1) a hospital or facility listed in IC 16-39-7-1(a)(13); or
- 14 (2) a provider of ambulance services (as defined in
 15 IC 16-18-2-13.4).

16 The term includes an affiliate, officer, agent, or employee of a
 17 person described in subdivision (1) or (2).

18 **Sec. 4.** As used in this chapter, "principal residence", with
 19 respect to a consumer, means real or personal property that:

- 20 (1) is located in Indiana;
- 21 (2) the consumer:
 22 (A) owns; or
 23 (B) is buying under contract;
 24 whether solely or jointly with another person; and
 25 (3) constitutes the principal place of residence of:
 26 (A) the consumer; or
 27 (B) a dependent of the consumer.

28 **Sec. 5. (a)** Notwithstanding any other law:

- 29 (1) any amount of health care debt owed or alleged to be owed
 30 by a consumer; or
- 31 (2) in an action against a consumer in which a judgment has
 32 been entered, any amount of the judgment that represents
 33 health care debt determined to be owed by the consumer;

34 does not constitute a lien against the consumer's principal
 35 residence.

36 **(b)** A person having any ownership or other interest in an
 37 amount described in subsection (a)(1) or (a)(2) may not assert,
 38 claim, enter, or enforce a lien against the consumer's principal
 39 residence.

40 SECTION 7. IC 34-55-9-0.5 IS ADDED TO THE INDIANA CODE
 41 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 42 UPON PASSAGE]: **Sec. 0.5.** As used in this chapter, the following



terms have the following meanings:

(1) "Consumer" means an individual whose principal residence is in Indiana. The term includes the following:

(A) A protected consumer (as defined in IC 24-5-24.5-4).

(B) A representative acting on behalf of a protected consumer (as defined in IC 24-5-24.5-4).

(2) "Health care debt" means an obligation or an alleged obligation of a consumer to pay an amount related to the receipt of medically necessary (as defined in IC 27-1-37.5-5.4) health care services, products, or devices provided to a person by a health care provider. The term does not include debt charged to a credit card unless the credit card is issued under:

(A) an open-end plan; or

(B) a closed-end plan;

offered specifically for the payment of health care services, products, or devices provided to a person.

(3) "Health care provider" means:

(A) a hospital or facility listed in IC 16-39-7-1(a)(13); or

(B) a provider of ambulance services (as defined in IC 16-18-2-13.4).

The term includes an affiliate, officer, agent, or employee of a person described in clause (A) or (B).

(4) "Principal residence", with respect to a consumer, means real or personal property that:

(A) is located in Indiana;

(B) the consumer:

(i) owns; or

(ii) is buying under contract;

whether solely or jointly with another person; and

(C) constitutes the principal place of residence of:

(i) the consumer; or

(ii) a dependent of the consumer.

SECTION 8. IC 34-55-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. **(a) Except as provided in subsection (b),** the following real estate is liable to all judgments and attachments and to be sold on execution against the debtor ~~owing~~ **owning** the real estate or for whose use the real estate is held:

(1) All lands of the judgment debtor, whether in possession, remainder, or reversion.

(2) All rights of redeeming mortgaged lands and all lands held by virtue of any land office certificate.



(3) Lands or any estate or interest in land held by anyone in trust for or to the use of another.

(4) All chattels real of the judgment debtor.

(b) In any action filed, in a court of competent jurisdiction in Indiana, for the recovery of health care debt owed or alleged to be owed by a consumer, the principal residence of the consumer is not liable to judgment or attachment or to be sold on execution against the consumer.

SECTION 9. IC 34-55-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. **(a) Except as provided in subsection (b),** all final judgments for the recovery of money or costs in the circuit court and other courts of record of general original jurisdiction in Indiana, whether state or federal, constitute a lien upon real estate and chattels real liable to execution in the county where the judgment has been duly entered and indexed in the judgment docket as provided by law:

(1) after the time the judgment was entered and indexed; and

(2) until the expiration of ten (10) years after the rendition of the judgment;

exclusive of any time during which the party was restrained from proceeding on the lien by an appeal, an injunction, the death of the defendant, or the agreement of the parties entered of record.

(b) A final judgment for the recovery of money or costs in any action filed, in a court of competent jurisdiction in Indiana, for the recovery of health care debt owed or alleged to be owed by a consumer does not constitute a lien upon the principal residence of the consumer.

SECTION 10. An emergency is declared for this act.

