
SENATE BILL No. 85

AM008508 has been incorporated into introduced printing.

Synopsis: Health care debt and costs.

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2026

IN 85—LS 6422/DI 104



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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 of health care debt under**
5 **IC 24-4.5-5-105 and principal residence liens and IC 32-28-16.**
6 **(b) As used in this subsection, "medical creditor" and**
7 **"medical debt creditor" do not include a financial institution (as**
8 **defined in IC 28-1-1-3(1)). The attorney general may bring any**
9 **enforcement action under IC 24-5-0.5-4. The attorney general shall**
10 **establish a complaint process for an aggrieved individual of the**
11 **public to file a complaint against a medical creditor or medical**
12 **debt collector that violates IC 24-4.5-5-105 or IC 32-28-16. A**
13 **complaint filed under this section is considered a public record**
14 **under IC 5-14-3. However, the attorney general shall redact the**
15 **name, address, and any personal identifying information of the**

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complainant.

SECTION 2. IC 16-18-2-52.5, AS AMENDED BY P.L.188-2025, 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;



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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.

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

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

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

- (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 person's expressed preference for communications.

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

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

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

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

- (1) The payment plan must allow payments to be made over a period of at least twenty-four (24) months.
- (2) The amount of any one (1) monthly payment may not exceed ten percent (10%) of the person's gross monthly household income.
- (3) The first payment under the plan may not be due before thirty (30) days have elapsed from the latest date of service



for the health care services to which the payment plan pertains.

(4) Payments under the plan must be suspended without 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 person provides the hospital with documentation of the appeal. Payments under the plan may resume after the lesser of either:

(A) the exhaustion of the appeals process; or

(B) one hundred twenty (120) days.

(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



1 payment plan or charity care program administered by the
 2 hospital, the hospital shall provide written notice as provided in
 3 subsection (d) not later than fourteen (14) days from the person's
 4 request.

5 (d) The written notice under subsection (c) must include the
 6 following:

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

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

14 (A) funding limits;

15 (B) enrollment limits; or

16 (C) other limits, caps, or restrictions;

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

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

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

22 (d):

23 (1) in a writing delivered to the person;

24 (2) by electronic mail; or

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

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

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

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

38 (1) The hospital's mission statement.

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

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

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

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

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

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

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

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

- (a) "disposable earnings" means that part of the earnings of an individual, including wages, commissions, income, rents, or profits remaining after the deduction from those earnings of amounts required by law to be withheld;

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(b) "garnishment" means any legal or equitable proceedings through which the earnings of an individual are required to be withheld by a garnishee, by the individual debtor, or by any other person for the payment of a judgment; ~~and~~

(c) **"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 purchased by, payable to, or owed to a financial institution (as defined in IC 28-1-1-3(1)), 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

~~(c)~~ (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.



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

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

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

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

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

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

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

The deductions made under this subsection for a collection fee do not

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increase the amount of the judgment debt for which the fee is collected for the purpose of calculating or collecting judgment interest. This fee may be collected by an employer only once for each garnishment order or series of orders arising out of the same judgment debt. The employer may collect the entire fee from one (1) or more of the initial deductions from the employee's disposable earnings. Alternatively, the employer may collect the fee ratably over the number of pay periods during which deductions from the employee's disposable earnings are required.

(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



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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).

Sec. 2. (a) As used in this chapter, "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.

(b) The term does not include the following:

(1) Debt purchased by, payable to, or owed to a financial institution (as defined in IC 28-1-1-3(1)).

(2) 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.

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

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

(2) 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 subdivision (1) or (2).

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

(1) is located in Indiana;

(2) the consumer:

(A) owns; or

(B) is buying under contract;

whether solely or jointly with another person; and

(3) constitutes the principal place of residence of:

(A) the consumer; or

(B) a dependent of the consumer.

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

(1) any amount of health care debt owed or alleged to be



1 owed by a consumer; or
 2 (2) in an action against a consumer in which a judgment has
 3 been entered, any amount of the judgment that represents
 4 health care debt determined to be owed by the consumer;
 5 does not constitute a lien against the consumer's principal
 6 residence.

7 (b) A person having any ownership or other interest in an
 8 amount described in subsection (a)(1) or (a)(2) may not assert,
 9 claim, enter, or enforce a lien against the consumer's principal
 10 residence.

11 SECTION 7. IC 34-55-1-6 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6. The execution must
 13 intelligibly refer to the judgment, stating:

- 14 (1) the court where and the time when rendered;
- 15 (2) the names of the parties;
- 16 (3) the amount, if the judgment is for money; ~~and~~
- 17 (4) the amount actually due on the judgment; **and**
- 18 **(5) whether the debt is a health care debt (as defined in**
 19 **IC 24-4.5-5-105(1)(c)).**

20 SECTION 8. IC 34-55-9-0.5 IS ADDED TO THE INDIANA
 21 CODE AS A NEW SECTION TO READ AS FOLLOWS
 22 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. As used in this chapter,**
 23 **the following terms have the following meanings:**

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

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

29 (2) "Health care debt" means an obligation or an alleged
 30 obligation of a consumer to pay an amount related to the
 31 receipt of medically necessary (as defined in
 32 IC 27-1-37.5-5.4) health care services, products, or devices
 33 provided to a person by a health care provider. The term
 34 does not include the following:

- 35 (A) Debt purchased by, payable to, or owed to a
 36 financial institution (as defined in IC 28-1-1-3(1)).
- 37 (B) Debt charged to a credit card unless the credit card
 38 is issued under:
 - 39 (i) an open-end plan; or
 - 40 (ii) a closed-end plan;
- 41 offered specifically for the payment of health care
 42 services, products, or devices provided to a person.



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(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 9. 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 10. 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 (1) after the time the judgment was entered and indexed; and
2 (2) until the expiration of ten (10) years after the rendition of the
3 judgment;
4 exclusive of any time during which the party was restrained from
5 proceeding on the lien by an appeal, an injunction, the death of the
6 defendant, or the agreement of the parties entered of record.
7 **(b) A final judgment for the recovery of money or costs in any**
8 **action filed, in a court of competent jurisdiction in Indiana, for the**
9 **recovery of health care debt owed or alleged to be owed by a**
10 **consumer does not constitute a lien upon the principal residence of**
11 **the consumer.**
12 SECTION 11. An emergency is declared for this act.

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