

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

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

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

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

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

17 **according to the person's expressed preference for**
18 **communications.**

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

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

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

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

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



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

3 (4) Payments under the plan must be suspended without
 4 penalty during the pendency of any appeal by the person for
 5 the denial of insurance or other third party coverage for the
 6 health care services to which the payment plan pertains if the
 7 person provides the hospital with documentation of the
 8 appeal. Payments under the plan may resume after the lesser
 9 of either:

10 (A) the exhaustion of the appeals process; or
 11 (B) one hundred twenty (120) days.

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

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

20 (1) provided to a person at the time of intake or discharge of
 21 the person; and
 22 (2) conspicuously posted in the waiting area of the
 23 emergency room, if any, and the admissions intake area of
 24 the hospital.

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

27 (1) A statement that financial assistance is available.
 28 (2) The telephone number to call to obtain information
 29 concerning financial assistance.
 30 (3) An Internet link to a web page that includes information
 31 and any documentation concerning obtaining financial
 32 assistance.

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

34 (1) a hospital that had gross patient revenue of at least
 35 twenty million dollars (\$20,000,000) during the hospital's
 36 immediately preceding fiscal year, as reported to the state
 37 department under IC 16-21-6-3; and
 38 (2) emergency or medically necessary health care services
 39 provided to a person by the hospital after June 30, 2026.

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

42 (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



1 actually provided, including charity care. Charity care must be
 2 reported as a separate item from other community benefits.

3 (b) Each nonprofit hospital shall annually file a report of the
 4 community benefits plan with the state department. For a hospital's
 5 fiscal year that ends before July 1, 2011, the report must be filed not
 6 later than one hundred twenty (120) days after the close of the
 7 hospital's fiscal year. For a hospital's fiscal year that ends after June 30,
 8 2011, the report must be filed at the same time the nonprofit hospital
 9 files its annual return described under Section 6033 of the Internal
 10 Revenue Code that is timely filed under Section 6072(e) of the Internal
 11 Revenue Code, including any applicable extension authorized under
 12 Section 6081 of the Internal Revenue Code.

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

15 (1) public information;
 16 (2) filed with the state department; and
 17 (3) available to the public on request from the state department.
 18 This statement shall be posted in prominent places throughout the
 19 hospital, including the emergency room waiting area and the
 20 admissions office waiting area. The statement shall also be printed in
 21 the hospital patient guide or other material that provides the patient
 22 with information about the admissions criteria of the hospital.

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

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

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

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



(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

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

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

9 (a) where such individual is supporting the individual's spouse
 10 or dependent child (other than a spouse or child with respect to
 11 whose support such order is used), fifty percent (50%) of such
 12 individual's disposable earnings for that week; and
 13 (b) where such individual is not supporting such a spouse or
 14 dependent child described in subdivision (a), sixty percent
 15 (60%) of such individual's disposable earnings for that week;
 16 except that, with respect to the disposable earnings of any individual
 17 for any workweek, the fifty percent (50%) specified in subdivision (a)
 18 shall be deemed to be fifty-five percent (55%) and the sixty percent
 19 (60%) specified in subdivision (b) shall be deemed to be sixty-five
 20 percent (65%), if and to the extent that such earnings are subject to
 21 garnishment or support withholding to enforce a support order with
 22 respect to a period which is prior to the twelve (12) week period which
 23 ends with the beginning of such workweek.

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

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

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

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

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



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

10 (6) The deduction of the garnishment collection fee under
 11 subsection (5)(a) or subsection (7) is not an assignment of wages under
 12 IC 22-2-6.

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

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

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

- 35 (a) **For an individual who earns two hundred percent (200%)
 36 or less of the federal income poverty level, zero dollars (\$0).**
- 37 (b) **For an individual who earns above two hundred percent
 38 (200%) of the federal income poverty level, not more than
 39 ten percent (10%) of the individual's disposable earnings for
 40 that week that are above the two hundred percent (200%) of
 41 the federal income poverty level.**

42 SECTION 6. IC 32-28-16 IS ADDED TO THE INDIANA CODE



1 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 2 UPON PASSAGE]:

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

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

7 **(b) The term includes the following:**

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

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

16 **(b) The term does not include the following:**

17 **(1) Debt purchased by, payable to, or owed to a financial
 18 institution (as defined in IC 28-1-1-3(1)).
 19 (2) Debt charged to a credit card unless the credit card is
 20 issued under:**

21 **(A) an open-end plan; or
 22 (B) a closed-end plan;**

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

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

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

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

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

33 **(1) is located in Indiana;**

34 **(2) the consumer:**

35 **(A) owns; or
 36 (B) is buying under contract;**

37 **whether solely or jointly with another person; and**

38 **(3) constitutes the principal place of residence of:**

39 **(A) the consumer; or
 40 (B) a dependent of the consumer.**

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

42 **(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.



(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

constitutes the principle

(i) the consumer; or

(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.

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12 SECTION 11. An emergency is declared for this act.

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