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SENATE BILL No. 85

Proposed Changes to introduced printing by AM008508

DIGEST OF PROPOSED AMENDMENT

Health care debt. Specifies that the authority of the attorney general to enforce wage garnishment provisions is limited to health care debt. Specifies the time frame in which a payment plan may be suspended during an appeal and removes extension of the suspension language in the bill. Exempts a financial institution from the definition of "medical creditor" and "medical debt collector". Requires the disclosure of whether a debt is a health care debt in the execution of a judgment.

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

2026

IN 85—LS 6422/DI 104



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1 SECTION 2. IC 16-18-2-52.5, AS AMENDED BY P.L.188-2025,
 2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2026]: Sec. 52.5. (a) "Charity care", for purposes of
 4 IC 16-21-6, ~~IC 16-21-6.1~~, IC 16-21-9, ~~and~~ and IC 16-40-6, means
 5 the unreimbursed cost to a hospital of providing, funding, or otherwise
 6 financially supporting health care services:

7 (1) to a person classified by the hospital as financially indigent
 8 or medically indigent on an inpatient or outpatient basis; and
 9 (2) to financially indigent patients through other nonprofit or
 10 public outpatient clinics, hospitals, or health care organizations.

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

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

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

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

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

32 **(b) With respect to any bill that:**

33 **(1) is for a person that has either:**

34 **(A) an income that is below four hundred percent
 35 (400%) of the federal income poverty level (as defined
 36 in IC 12-15-2-1); or**

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

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

41 **(3) is submitted to that person for payment;**

42 **a hospital shall offer the person the opportunity to pay the listed**



1 charges through a payment plan that satisfies the requirements set
 2 forth in this section.

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

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

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

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

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

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

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

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

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

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



1 pertains.

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

9 1(~~60~~[A] ~~days from~~ the ~~date the hospital receives~~
 10 ~~documentation~~[exhaustion] of the ~~appeal unless the~~
 11 ~~patient provides additional documentation concerning~~
 12 ~~the pending appeal~~[appeals process; or
 13 (B) one hundred twenty (120) days.

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

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

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

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

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

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

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

42 (b) As used in this section, "gross patient revenue" has the



1 meaning set forth in IC 16-21-6-1.

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

7 (d) The written notice under subsection (c) must include the
 8 following:

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

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

16 (A) funding limits;

17 (B) enrollment limits; or

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

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

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

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

24 (d):

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

26 (2) by electronic mail; or

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

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

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

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

40 (1) The hospital's mission statement.

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



1 plan.

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

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

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

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

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

25 (d) Each nonprofit hospital shall develop, **provide, and post** a
 26 written notice about any charity care program operated by the hospital
 27 ~~<→[H]and how to apply for charity care. The notice must be in appropriate
 28 languages if possible. The notice must also be conspicuously posted in
 29 the following areas:~~
 30 (1) The general waiting area;
 31 (2) The waiting area for emergency services;
 32 (3) The business office;

33 (4) Any other area that the hospital considers an appropriate area
 34 in which to provide notice of a charity care program. ~~in
 35 accordance with IC 16-21-6.1-2.~~

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

40 (a) "disposable earnings" means that part of the earnings of an
 41 individual, including wages, commissions, income, rents, or
 42 profits remaining after the deduction from those earnings of



1 amounts required by law to be withheld;

2 (b) "garnishment" means any legal or equitable proceedings

3 through which the earnings of an individual are required to be

4 withheld by a garnishee, by the individual debtor, or by any other

5 person for the payment of a judgment; **and**

6 (c) "health care debt" means an obligation or an alleged

7 obligation of a consumer to pay an amount related to the

8 receipt of medically necessary (as defined in

9 IC 27-1-37.5-5.4) health care services, products, or devices

10 provided to a person by a health care provider. The term

11 does not include debt [purchased by, payable to, or owed to

12 a financial institution (as defined in IC 28-1-1-3(1)), debt

13 charged to a credit card unless the credit card is issued

14 under:

15 (i) an open-end plan; or

16 (ii) a closed-end plan;

17 offered specifically for the payment of health care services,

18 products, or devices provided to a person;

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

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

21 (ii) a provider of ambulance services (as defined in

22 IC 16-18-2-13.4).

23 The term includes an affiliate, officer, agent, or employee of

24 a person described in item (i) or (ii); and

25 (e) "support withholding" means that part of the earnings that

26 are withheld from an individual for child support in accordance

27 with the laws of this state.

28 (2) Except as provided in subsection (8) **and subsection (9)**, the

29 maximum part of the aggregate disposable earnings of an individual for

30 any workweek which is subjected to garnishment to enforce the

31 payment of one (1) or more judgments against the individual may not

32 exceed the lesser of the following amounts:

33 (a) An amount equal to twenty-five percent (25%) of the

34 individual's disposable earnings for that week or, upon a showing

35 of good cause by the individual why the amount should be

36 reduced, an amount equal to:

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

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

39 of the individual's disposable earnings for that week.

40 (b) The amount by which the individual's disposable earnings for

41 that week exceed thirty (30) times the federal minimum hourly

42 wage prescribed by 29 U.S.C. 206(a)(1) in effect at the time the



1 earnings are payable.

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

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

(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:

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

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

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

2026

IN 85—LS 6422/DI 104



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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 ~~and~~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 I l(~~and~~A) an open-end plan; or
 22 I l(~~and~~B) a closed-end plan;

23 I loffered 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



owed by a consumer; or
(2) in an action against a consumer in which a judgment has been entered, any 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.

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

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

(1) the court where and the time when rendered;
(2) the names of the parties;
(3) the amount, if the judgment is for money; and
(4) the amount actually due on the judgment; and
(5) whether the debt is a health care debt (a

(S) whether the debt is a health care debt (as defined in IC 24-4.5-5-105(1)(c)).

1 SECTION ~~8~~⁸ IS ADDED TO THE INDIANA
CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE 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 ~~or~~ [the following:

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

(B) Debt charged to a credit card unless the credit card is issued under:

I I(\leftrightarrow A) [i]) an open-end plan; or

I I(\Leftarrow \Rightarrow I[ii]) a closed-end plan;

I 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~~⁹ [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 ~~9~~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.

2026

IN 85—LS 6422/DI 104



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12 SECTION 1 ~~☞~~[1]. An emergency is declared for this act. [

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2026

IN 85—LS 6422/DI 104



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