

By: Senator(s) Dawkins

To: Public Health and  
Welfare; Judiciary, Division  
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SENATE BILL NO. 2411

1 AN ACT TO PROVIDE CERTAIN CONDITIONS ON THE COLLECTION OF  
2 DEBT BY COLLECTION AGENTS FOR LICENSED HOSPITALS FOR THE COST OF  
3 PROVIDING SERVICES TO UNINSURED INDIVIDUALS; TO REQUIRE CERTAIN  
4 NOTICES TO BE ISSUED BY SUCH HOSPITAL COLLECTION AGENCIES; TO  
5 REQUIRE CERTAIN ANNUAL REPORTS TO BE DEVELOPED BY HOSPITALS  
6 REGARDING DEBT COLLECTION AND FILED WITH THE STATE DEPARTMENT OF  
7 HEALTH; TO AMEND SECTION 75-17-7, MISSISSIPPI CODE OF 1972, TO  
8 PROVIDE THAT IN THE CASE OF DEBT ARISING OUT OF HOSPITAL SERVICES,  
9 PREJUDGMENT AND POSTJUDGMENT INTEREST IS DISCRETIONARY WITH THE  
10 COURT; TO AMEND SECTION 85-3-1, MISSISSIPPI CODE OF 1972, TO  
11 PROVIDE A TANGIBLE PROPERTY EXEMPTION FOR ANY MONEY JUDGMENT  
12 ARISING OUT OF SERVICES PROVIDED AT A HOSPITAL; TO AMEND SECTION  
13 85-3-21, MISSISSIPPI CODE OF 1972, TO PROVIDE A HOMESTEAD  
14 EXEMPTION FOR ANY MONEY JUDGMENT ARISING OUT OF SERVICES PROVIDED  
15 AT A HOSPITAL; AND FOR RELATED PURPOSES.

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

17 **SECTION 1.** (1) As used in this section:

18 (a) "Cost of providing services" means a hospital's  
19 published charges at the time of billing, multiplied by the  
20 hospital's most recent relationship of costs to charges as taken  
21 from the hospital's most recently available annual financial  
22 filing with the State Department of Health.

23 (b) "Hospital" means an institution licensed by the  
24 State Department of Health pursuant to Sections 41-9-1 through  
25 41-9-35.

26 (c) "Poverty income guidelines" means the poverty  
27 income guidelines issued from time to time by the United States  
28 Department of Health and Human Services.

29 (d) "Uninsured patient" means any person who is liable  
30 for one or more hospital charges whose income is at or below two  
31 hundred fifty percent (250%) of the poverty income guidelines who  
32 (i) has applied and been denied eligibility for any medical or  
33 health care coverage provided under the Medicaid program due to

34 failure to satisfy income or other eligibility requirements, and  
35 (ii) is not eligible for coverage for hospital services under the  
36 Medicare program, or under any Medicaid or health insurance  
37 program of any other nation, state, territory or commonwealth, or  
38 under any other governmental or privately sponsored health or  
39 accident insurance or benefit program, including, but not limited  
40 to, workers' compensation and awards, settlements or judgments  
41 arising from claims, suits or proceedings involving motor vehicle  
42 accidents or alleged negligence.

43 (2) No hospital that has provided health care services to an  
44 uninsured patient may collect from the uninsured patient more than  
45 the cost of providing services.

46 (3) No hospital shall refer to a collection agent or  
47 initiate an action against an individual patient or such patient's  
48 estate to collect fees arising from care provided at a hospital on  
49 or after October 1, 2007, unless the hospital has made a  
50 determination that such individual is an uninsured patient, as  
51 defined in subsection (1) of this section, and is not eligible for  
52 any free or reduced price hospital medical services. Nothing in  
53 this section shall affect a hospital's ability to initiate an  
54 action against an individual patient or such patient's estate to  
55 collect coinsurance, deductibles or fees arising from care  
56 provided at a hospital where such coinsurance, deductibles or fees  
57 may be eligible for reimbursement through awards, settlements or  
58 judgments arising from claims, suits or proceedings. In addition,  
59 nothing in this section shall affect a hospital's ability to  
60 initiate an action against an individual patient or such patient's  
61 estate where payment or reimbursement has been made, or likely is  
62 to be made, directly to the patient.

63 (4) Each collection agent engaged in collecting a debt from  
64 a patient arising from services provided at a hospital shall  
65 provide written notice to such patient as to whether the hospital  
66 deems the patient an insured patient or an uninsured patient as

67 defined in subsection (1) of this section and the reasons for such  
68 determination.

69 (5) If, at any point in the debt collection process, whether  
70 before or after the entry of judgment, a hospital, a consumer  
71 collection agency acting on behalf of the hospital, an attorney  
72 representing the hospital or any employee or agent of the hospital  
73 becomes aware that a debtor from whom the hospital is seeking  
74 payment for services rendered receives information that the debtor  
75 is eligible for free or reduced price hospital services, or any  
76 other program which would result in the elimination of liability  
77 for the debt or reduction in the amount of such liability, the  
78 hospital, collection agency, attorney, employee or agent shall  
79 promptly discontinue collection efforts and refer the collection  
80 file to the hospital for determination of such eligibility. The  
81 collection effort shall not resume until such determination is  
82 made.

83 (6) On or before January 1, 2008, and annually thereafter,  
84 each hospital shall file with the State Department of Health a  
85 debt collection report that includes (a) whether the hospital uses  
86 a collection agent to assist with debt collection, (b) the name of  
87 any collection agent used, (c) the hospital's processes and  
88 policies for assigning a debt to a collection agent and for  
89 compensating such collection agent for services rendered, and (d)  
90 the recovery rate on accounts assigned to collection agents,  
91 exclusive of Medicare accounts, in the most recent hospital fiscal  
92 year.

93 **SECTION 2.** Section 75-17-7, Mississippi Code of 1972, is  
94 amended as follows:

95 75-17-7. All judgments or decrees founded on any sale or  
96 contract shall bear interest at the same rate as the contract  
97 evidencing the debt on which the judgment or decree was rendered.  
98 All other judgments or decrees shall bear interest at a per annum  
99 rate set by the judge hearing the complaint from a date determined

100 by such judge to be fair but in no event prior to the filing of  
101 the complaint. In the case of a debt arising out of services  
102 provided at a hospital, prejudgment and postjudgment interest  
103 shall be discretionary with the court, and in no event shall be  
104 more than five percent (5%).

105 **SECTION 3.** Section 85-3-1, Mississippi Code of 1972, is  
106 amended as follows:

107 85-3-1. There shall be exempt from seizure under execution  
108 or attachment:

109 (a) Tangible personal property of the following kinds  
110 selected by the debtor, not exceeding Ten Thousand Dollars  
111 (\$10,000.00) in cumulative value, or in the case of a money  
112 judgment arising out of services provided at a hospital, not  
113 exceeding Twenty Thousand Dollars (\$20,000.00):

114 (i) Household goods, wearing apparel, books,  
115 animals or crops;

116 (ii) Motor vehicles;

117 (iii) Implements, professional books or tools of  
118 the trade;

119 (iv) Cash on hand;

120 (v) Professionally prescribed health aids;

121 (vi) Any items of tangible personal property worth  
122 less than Two Hundred Dollars (\$200.00) each;

123 Household goods, as used in this paragraph (a), means  
124 clothing, furniture, appliances, one (1) radio and one (1)  
125 television, one (1) firearm, one (1) lawnmower, linens, china,  
126 crockery, kitchenware, and personal effects (including wedding  
127 rings) of the debtor and his dependents; however, works of art,  
128 electronic entertainment equipment (except one (1) television and  
129 one (1) radio), jewelry (other than wedding rings), and items  
130 acquired as antiques are not included within the scope of the term  
131 "household goods." This paragraph (a) shall not apply to distress

132 warrants issued for collection of taxes due the state or to wages  
133 described in Section 85-3-4.

134 (b) (i) The proceeds of insurance on property, real  
135 and personal, exempt from execution or attachment, and the  
136 proceeds of the sale of such property.

137 (ii) Income from disability insurance.

138 (c) All property in this state, real, personal and  
139 mixed, for the satisfaction of a judgment or claim in favor of  
140 another state or political subdivision of another state for  
141 failure to pay that state's or that political subdivision's income  
142 tax on benefits received from a pension or other retirement plan.  
143 As used in this paragraph (c), "pension or other retirement plan"  
144 includes:

145 (i) An annuity, pension, or profit-sharing or  
146 stock bonus or similar plan established to provide retirement  
147 benefits for an officer or employee of a public or private  
148 employer or for a self-employed individual;

149 (ii) An annuity, pension, or military retirement  
150 pay plan or other retirement plan administered by the United  
151 States; and

152 (iii) An individual retirement account.

153 (d) One (1) mobile home, trailer, manufactured housing,  
154 or similar type dwelling owned and occupied as the primary  
155 residence by the debtor, not exceeding a value of Thirty Thousand  
156 Dollars (\$30,000.00); in determining this value, existing  
157 encumbrances on said dwelling, including taxes and all other  
158 liens, shall first be deducted from the actual value of said  
159 dwelling. A debtor is not entitled to the exemption of a mobile  
160 home as personal property who claims a homestead exemption under  
161 Section 85-3-21, and the exemption shall not apply to collection  
162 of delinquent taxes under Sections 27-41-101 through 27-41-109.

163 (e) Assets held in, or monies payable to the  
164 participant or beneficiary from, whether vested or not, (i) a

165 pension, profit-sharing, stock bonus or similar plan or contract  
166 established to provide retirement benefits for the participant or  
167 beneficiary and qualified under Section 401(a), 403(a), or 403(b)  
168 of the Internal Revenue Code (or corresponding provisions of any  
169 successor law), including a retirement plan for self-employed  
170 individuals qualified under one of such enumerated sections, (ii)  
171 an eligible deferred compensation plan described in Section 457(b)  
172 of the Internal Revenue Code (or corresponding provisions of any  
173 successor law), or (iii) an individual retirement account or an  
174 individual retirement annuity within the meaning of Section 408 of  
175 the Internal Revenue Code (or corresponding provisions of any  
176 successor law), including a simplified employee pension plan.

177 (f) The assets of a health savings account, including  
178 any interest accrued thereon, established pursuant to a health  
179 savings account program as provided in the Health Savings Accounts  
180 Act, Section 83-62-1 et seq.

181 (g) In addition to all other exemptions listed in this  
182 section, there shall be an additional exemption of property having  
183 a value of Fifty Thousand Dollars (\$50,000.00) of whatever type,  
184 whether real, personal or mixed, tangible or intangible, including  
185 deposits of money, available to any Mississippi resident who is  
186 seventy (70) years of age or older.

187 (h) An amount not to exceed Five Thousand Dollars  
188 (\$5,000.00) of earned income tax credit proceeds.

189 (i) An amount not to exceed Five Thousand Dollars  
190 (\$5,000.00) of federal tax refund proceeds.

191 (j) An amount not to exceed Five Thousand Dollars  
192 (\$5,000.00) of state tax refund proceeds.

193 (k) Nothing in this section shall in any way affect the  
194 rights or remedies of the holder or owner of a statutory lien or  
195 voluntary security interest.

196 **SECTION 4.** Section 85-3-21, Mississippi Code of 1972, is  
197 amended as follows:

198           85-3-21. Every citizen of this state, male or female, being  
199 a householder shall be entitled to hold exempt from seizure or  
200 sale, under execution or attachment, the land and buildings owned  
201 and occupied as a residence by him, or her, but the quantity of  
202 land shall not exceed one hundred sixty (160) acres, nor the value  
203 thereof, inclusive of improvements, save as hereinafter provided,  
204 the sum of Seventy-five Thousand Dollars (\$75,000.00), or in the  
205 case of a money judgment arising out of services provided at a  
206 hospital, to the value of One Hundred Fifty Thousand Dollars  
207 (\$150,000.00); provided, however, that in determining this value,  
208 existing encumbrances on such land and buildings, including taxes  
209 and all other liens, shall first be deducted from the actual value  
210 of such land and buildings. But husband or wife, widower or  
211 widow, over sixty (60) years of age, who has been an exemptionist  
212 under this section, shall not be deprived of such exemption  
213 because of not residing therein.

214           **SECTION 5.** This act shall take effect and be in force from  
215 and after July 1, 2007.