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NCOIL ADOPTS CHARITY MEDICAL CARE AND MEDICAL DEBT REFORM MODEL ACT

Model Aims to Reduce the Financial Burden of Medical Debt by Strengthening Hospital Charity Care Screening Procedures and Prohibiting Medical Debt Obtained from Lifesaving and Emergency Care Services from Being Reported

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Belmar, NJ – At the 2026 National Council of Insurance Legislators (NCOIL) Summer National Meeting in Boston, MA, the organization adopted the NCOIL Charity Medical Care and Medical Debt Reform Model Act sponsored by Rep. Tom Oliverson, M.D. (TX), Past NCOIL President, and co-sponsored by Sen. Paul Utke (MN), NCOIL President, and Rep. Brenda Carter (MI), NCOIL Secretary. The Model was passed by both the Health Insurance & Long Term Care Issues Committee and the NCOIL Executive Committee.

The Model provides states with a framework to establish important protections to ensure patients have access to available financial assistance before facing medical debt collection. It requires nonprofit hospitals to adhere to charity care screening procedures and prohibits hospitals from pursuing debt collections of any patient until the hospital verifies the patient is not eligible for the hospital's financial assistance program and charity care policy. It also promotes greater transparency and patient awareness of charity care programs in an effort to ensure there is clear information presented to patients on how to apply for such programs. Also, the Model states that if a hospital is found to be consistently non-compliant with following its charity care program requirements, the Attorney General shall be informed of the nature of the non-compliance who may bring an action in the name of the State to revoke the hospital's state tax exemptions.

Additionally, the Model further strengthens consumer protections by limiting the impact of emergency medical debt on patients' financial stability. It prohibits creditors, debt collectors, and consumer reporting agencies from reporting or including medical debt arising from lifesaving and emergency care services on consumer credit reports. Together, these reforms aim to improve access to charity care programs, increase accountability for hospital non-compliance with such programs, and protect patients from the long-term consequences of medical debt.

"As both a legislator and healthcare provider, I was proud to sponsor this Model as it is certainly timely and needed," said Rep. Oliverson. "Ensuring that patients have access to the care they critically need and that there is proper oversight over hospital compliance with their charity care programs is essential in ensuring the system is well suited to support the people that need it most."

During the drafting and deliberation process, NCOIL legislators and staff heard from a wide array of interested parties including: the American Hospital Association (AHA), Ascension, Blood Cancer United, Dollar For, the Paragon Health Institute, and a patient who provided her personal experience in navigating hospital charity care programs.

"The passage of this Model demonstrates how state legislators can come together in a bipartisan way to address a pressing issue with practical solutions that promotes access to financial assistance programs while supporting a fair and sustainable healthcare system," said Sen. Utke. "The collaborative work that went into developing a balanced approach to charity care and medical debt reform really shows NCOIL at its best."

Rep. Michael Sarge Pollock (KY), Chair of the Health Insurance & Long Term Care Issues Committee, said, "The work that went into getting this Model over the finish line reflects the Committee's commitment to developing thoughtful, state-based solutions to challenges facing patients and healthcare providers alike. I know this will provide a much needed framework to states all around the country."

"The outcome achieved with this Model is the result of the Committee putting a significant amount of time and consideration into this very important issue," said NCOIL CEO Will Melofchik. "This really is a testament of the hard work of the legislators and interested parties that consistently stay engaged with NCOIL and I'm thrilled that the organization was able to adopt a Model that is focused on improving the lives of patients nationwide."

A full copy of the NCOIL Charity Medical Care and Medical Debt Reform Model Act can be viewed here: https://ncoil.org/resource/ncoil-charity-medical-care-and-medical-debt-reform-model-act-adopted-july-2026/

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NCOIL is a national legislative organization with the nation's 50 states as members, represented principally by legislators serving on their states' insurance and financial institutions committees. NCOIL writes Model Laws in insurance and financial services, works to preserve the State jurisdiction over insurance as established by the McCarran-Ferguson Act over 80 years ago, and to serve as an educational forum for public policymakers and interested parties. Founded in 1969, NCOIL works to assert the prerogative of legislators in making State policy when it comes to insurance and educate State legislators on current and longstanding insurance issues.