



## **MEDICAL DEBT NO LONGER REPORTABLE TO CREDIT REPORTING AGENCIES**

The rising cost of health care in recent years has led to a significant increase in medical debt, with far-reaching impact on New York consumers and their credit. On December 13, 2023, Governor Kathy Hochul signed legislation known as the Fair Medical Debt Reporting Act designed to address this consumer debt burden. The new law, which took effect immediately, bars hospitals (including nursing homes), health care professionals, and ambulance companies from reporting unpaid medical debt to consumer reporting agencies. In addition, any contract between these medical providers and a collection entity must include a provision prohibiting that entity from reporting any unpaid medical debt to a credit reporting agency. Likewise, consumer reporting agencies may not include information on medical debt in their reports or files on a consumer, regardless of the date the debt was incurred. Significantly, any medical debt that is reported to a consumer reporting agency will become void. Although the reporting of medical debt to consumer reporting agencies is barred, a nursing home's right to pursue collection of monies justly due and owing is not.

New York is only the second state in the nation to enact such a ban, following Colorado's amendment of its own credit reporting laws in August 2023. The Consumer Financial Protection Bureau (CFPB) is already considering similar measures that would impact providers and consumers nationwide.

Cona Elder Law's experienced attorneys continue to monitor the most recent developments regarding this legislation and other important legal matters concerning the nursing home, assisted living and CCRC industry. Contact us at **631.390.5000** or [click here](#) to learn more about how our firm can help your facility preserve its bottom line and ensure your ability to continue to provide quality services to your residents.