

Date: 1-26-21

## **House Health and Human Services Committee**

### **Bill: HB 110 Health Care Payment Amendments**

Sponsor: Rep. Winder

Floor Sponsor: Sen. Escamilla

### **UASD Position: Tracking**

This Bill: amends the Accounts Receivable Collection part.

Discussion: Rep. Winder said the bill will make it so that a governmental entity as a healthcare provider may not garnish a tax return when the debtor has made payment arrangements and is current on their payments. Rep. Ray clarified that the Utah Attorney General is the collection agency for this hospital. Rep. Barlow said medical bills are complex — you may have a radiologist bill, a doctor bill, and an anesthesiologist bill. What happens if you forget to set up payments with just one of those? Rep. Winder said if you were on a payment plan with the hospital but hadn't paid the anesthesiologist, then you could still be garnished. This bill says if you have a payment plan with a provider and you're current, they can't garnish your tax return. Rep. Myles asked if it makes a difference if it applies to a pre-judgment hold or a judgment. Rep. Winder said if you have a judgment then you have a legal obligation to follow through. But prior to going to judgment, this applies. Rep. Acton said becoming current or making payment arrangements can happen very quickly. She asked if it's only garnishment that will be prohibited. Rep. Winder said they have to be both current and have arrangements. Rep. Ward asked what legal things must happen before an entity can garnish someone's wages. Does there have to be a legal judgment? Or can you just not pay for long enough? Rep. Myles said you don't get to a garnishment without a court action, because there might be a dispute on what one owes. He said he didn't see how they could garnish a tax return unless it had gone to judgment. Rep. Winder said this protects them from getting to that point, so if you have a payment arrangement and are current on your payments then they couldn't institute a garnishment.

Rep. Ward said some of his constituents dealt with this. It happens at the University of Utah hospital. Their collections are done by the attorney general. In the paperwork you sign up front, you give them the right to collect your state tax return if you don't pay. Rep. Ward asked if the University of Utah can garnish is the only entity that can garnish from a tax return as opposed to a paycheck. Are they the only entity that can garnish without a judgment? It was clarified that this is true. It only applies to state tax returns because they're a state entity. Rep. Dailey-Provost

asked if Intermountain Healthcare as a private agency could only garnish by going through the courts and receiving a judgment. Rep. Pierucci asked about the fiscal note. Rep. Ray said there's a \$15 levy every time they take the tax return. Each time they can't take your tax return, they will lose that \$15. There will be a decrease in those dedicated credits.

Yeas: 12

Nays: 0

N/V: 1

**Outcome: Passed unanimously with a favorable recommendation.**