

Proposed Amendment

A hospital shall not sell patient debt to a debt buyer, as defined in Section 1788.50 of the Civil Code, *unless (1) the hospital includes contractual language in the sales agreement where **the debt buyer** agrees to **return and the hospital agrees to accept** any account when the balance has been determined to be incorrect due to the availability of insurance, charity care, or state or federal resources; (2) the debt buyer is licensed as a debt collector by the Department of Financial Protection and Innovation; and (3) the debt buyer is certified by a nonprofit trade association recognized by the Department of Financial Protection and Innovation as maintaining high standards for the purchase and collection of hospital receivables, **which high standards include all of the following (a) the debt buyer shall not resell or otherwise transfer any patient debt; (b) the debt buyer shall not charge interest or fees on any patient debt; and (3) the debt buyer shall not file legal or administrative action to collect patient debt.***