

SB 605 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

Prepared By: Whitney Perez, LPRO Analyst

Sub-Referral To: Senate Committee On Health Care

Meeting Dates: 1/30

WHAT THE MEASURE DOES:

The measure expands the definition of "medical debt" to include an amount that a person owes to a medical services provider, a hospital, or a nonprofit-affiliated clinic for medical treatment, patient care, or other medical services or supplies. The measure excludes from the definition of "medical debt" amounts a person owes on a credit card or to a financial institution that extended credit to a person unless the financial institution extended credit to the person specifically to purchase medical treatment, patient care, or other medical services or supplies. The measure prohibits medical services providers that operate or engage in business in Oregon from: entering into a contract that creates medical debt unless the contract includes notice that the person holding any debt for medical services may not report the debt to a credit bureau or consumer reporting agency, and reporting to a consumer reporting agency the amount or existence of any medical debt or medical debt that a resident of this state owes to the medical services provider or that a debt buyer has purchased from a medical services provider. The measure specifies that violation of this provision is an unlawful practice that a person may bring a civil action for. The measure specifies that a consumer reporting agency may not include in a consumer report an item that the consumer reporting agency knows or reasonably should know is a medical debt. Defines key terms and makes conforming amendments.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Consumer Financial Protection Bureau (CFPB) is a U.S. agency that is responsible for enforcing federal consumer financial laws and protecting consumers in the financial marketplace. In January 2025, CFPB issued a final rule amending Regulation V, which implements the Fair Credit Reporting Act. This final rule prohibits creditors from considering medical information in credit eligibility determinations. This final rule also generally prohibits a consumer reporting agency from providing a creditor a consumer report with information on medical debt that the creditor is prohibited from using.

Senate Bill 605 prohibits medical services providers from reporting the amount or existence of medical debt to a consumer reporting agency and prohibits a consumer reporting agency from including in a consumer report an item that the consumer reporting agency knows or should know is a medical debt.