

2026 Regular Session

SENATE BILL NO. 414

BY SENATOR TALBOT

CONSUMERS. Provides for the Louisiana Medical Debt Protection Act. (gov sig)

1 AN ACT

2 To enact Chapter 15 of Title 51 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 51:1501 through 1507, relative to medical debt protection; to create the
4 Louisiana Medical Debt Protection Act; to provide relative to interest rate
5 limitations; to provide for garnishment restrictions; to provide for enforcement; to
6 provide for terms and definitions; to provide for an effective date; and to provide for
7 related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 15 of Title 51 of the Louisiana Revised Statutes of 1950,
10 comprised of R.S. 51:1501 through 1507, is hereby enacted to read as follows:

11 **CHAPTER13-C. MEDICAL DEBT PROTECTIONS**

12 **§1501. Short Title**

13 **This Subpart shall be known and may be cited as the Louisiana Medical**
14 **Debt Protection Act.**

15 **§1502. Definitions**

16 **As used in this Chapter, the following terms shall have the following**
17 **meanings:**

1 **(1) "Federal Poverty Level" (FPL) means the income guidelines**
2 **published annually by the United States Department of Health and Human**
3 **Services.**

4 **(2) "Medical creditor" means any entity that provides healthcare**
5 **services and to whom the consumer owes money for healthcare services or the**
6 **entity that provided healthcare services and to whom the consumer previously**
7 **owed money if the medical debt has been purchased by one or more debt**
8 **buyers.**

9 **(3) "Medical debt" means debt arising from healthcare services,**
10 **including products, devices, durable medical equipment, and prescription**
11 **drugs, and from the provisions of transportation to healthcare services,**
12 **"medical debt" does include an open-end or closed-end extension of credit made**
13 **by a financial institution to a borrower that may be used by the borrower solely**
14 **for the purpose of the purchase of healthcare services. "Medical debt" does not**
15 **include debt charged to a credit card.**

16 **(4) "Medical debt collector" means any person that regularly collects or**
17 **attempts to collect, directly or indirectly, medical debts originally owed or due**
18 **or asserted to be owed or due to another. A medical debt buyer shall be**
19 **considered a medical debt collector for all purposes.**

20 **(5) "Medically necessary care" means healthcare services, products, or**
21 **medications that a licensed health care provider determines are necessary to**
22 **prevent, diagnose, or treat an illness, injury, disease, or its symptoms, and that**
23 **meet accepted standards of care.**

24 **§1503. Interest rate limitation**

25 **Interest on medical debt arising from medical necessary care shall not**
26 **exceed two percent per annum. Any contractual provision imposing a higher**
27 **rate is void.**

28 **§1504. Garnishment restrictions**

29 **No medical creditor or medical debt collector shall garnish wages or**

1 bank accounts for medical debt arising from medically necessary care unless the
2 debtor's income exceeds four hundred percent of the federal poverty level and
3 garnishment does not reduce post-garnishment income below four hundred
4 percent of the federal poverty level.

5 §1505. Prohibition of liens and foreclosure

6 No medical creditor or medical debt collector shall place a lien or
7 foreclose on a person's primary residence or primary vehicle for the collection
8 of medical debt arising from medically necessary care.

9 §1506. Contractual requirement for medical debt collectors

10 Every healthcare provider or medical creditor that engages a third-party
11 medical debt collector shall include in its contract a provision prohibiting the
12 garnishment of wages as provided in R.S. 51:1449.4 and placement of a lien or
13 foreclosure as provided in R.S. 51:1449.5. Failure to include the provision in the
14 contract shall constitute a violation of this Chapter.

15 §1507. Enforcement

16 A. The attorney general may enforce the provisions of this Chapter and
17 seek civil penalties.

18 B. The attorney general shall establish a complaint process whereby an
19 aggrieved consumer or any member of the public may file a complaint against
20 a medical creditor or medical debt collector who violates any provision of this
21 Chapter. All complaints shall be considered public records pursuant to R.S.
22 44:1 et seq., with the exception of the complainant's name, address, or other
23 personal identifying information.

24 C. A private right of action is hereby created for any person aggrieved
25 by a violation, including recovery of actual damages, statutory damages of up
26 to two thousand dollars per violations, attorney fees, and injunctive relief.

27 Section 2. This Act shall become effective upon signature by the governor or, if not
28 signed by the governor, upon expiration of the time for bills to become law without signature
29 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
2 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

SB 414 Original

2026 Regular Session

Talbot

Proposed law defines the terms "federal poverty level", "medical creditor", "medical debt", "medical debt collector", and "medically necessary care".

Proposed law limits interest on medical debt arising from medically necessary care to no more than 2% per annum and provides that any contractual provision imposing a higher rate is void.

Proposed law prohibits a medical creditor or medical debt collector from garnishing wages or bank accounts for medical debt arising from medically necessary care unless debtor's income exceeds 400% of the federal poverty level and the garnishment does not reduce the debtor's income below that level.

Proposed law requires every healthcare provider or medical creditor that engages in third-party debt collection to include in its contract certain provisions prohibiting wage garnishments, liens, or foreclosure for certain medical debts.

Proposed law authorizes the attorney general to seek civil penalties for violations under proposed law and further requires the attorney to establish a complaint process for alleged violations, that are subject to public records laws, except for any complaint with personal identifying information.

Proposed law authorizes a private right of action for any person aggrieved by a violation pursuant to proposed law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 51:1501-1507)