**South Carolina General Assembly**

126th Session, 2025-2026

**H. 4069**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Sessions and Magnuson

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Introduced in the House on February 20, 2025

Currently residing in the House

Summary: Patient-Friendly Billing

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 2/20/2025 House Introduced and read first time (House Journal‑page 6)

 2/20/2025 House Referred to Committee on **Medical, Military, Public and Municipal Affairs** (House Journal‑page 6)

 3/4/2025 House Member(s) request name added as sponsor: Magnuson

 3/20/2025 House Committee report: Favorable with amendment **Medical, Military, Public and Municipal Affairs** (House Journal‑page 10)

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=4069&session=126&summary=B)  at the website

**VERSIONS OF THIS BILL**

[02/20/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/4069_20250220.docx)

[03/20/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/4069_20250320.docx)

Indicates Matter Stricken

Indicates New Matter

Committee Report

March 20, 2025

H. 4069

Introduced by Reps. Sessions and Magnuson

S. Printed 3/20/25--H.

Read the first time February 20, 2025

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The committee on House Medical, Military, Public and Municipal Affairs

To whom was referred a Bill (H. 4069) to amend the South Carolina Code of Laws by adding Section 44‑7‑327 so as to establish certain requirements pertaining to patient billing for health services and, etc., respectfully

Report:

That they have duly and carefully considered the same, and recommend that the same do pass with amendment:

 Amend the bill, as and if amended, SECTION 1, by striking Section 44-7-327(A)(2) and inserting:

 (2) “Healthcare facility” means the same as defined in Section 44‑7‑130.:

 (a) acute care hospitals;

 (b) psychiatric hospitals;

 (c) alcohol and other substance use disorder hospitals;

 (d) ambulatory surgical facilities;

 (e) hospice facilities;

 (f) radiation therapy facilities;

 (g) rehabilitation facilities;

 (h) residential treatment facilities for child and adolescents;

 (i) intermediate care facilities for individuals with intellectual disabilities; or

 (j) narcotic treatment programs.

Amend the bill, as and if amended, SECTION 1, Section 44-7-327(B)(1), by striking the undesignated sentence at the end of subsection (B)(1).

Amend the bill further, SECTION 1, by striking Section 44-7-327(B)(2)(a) and (b) and inserting:

 (2)(a) The healthcare facility must notify the patient in clear and conspicuous language on the primary page of the bill, electronically or in writing, of the availability of obtaining an itemized copy electronically or in writing pursuant to itemsubsection (B)(1) and must offer the patient the ability to indicate the preferred form of the itemized bill by checking an appropriate box on the primary page of the patient bill near the indication of the amount owed.

 (b) A patient may waive the right to receive an itemized bill by marking and initialing at a specified location subsequent to the language notifying the patient of the right to an itemized bill on the primary pageelectronically or in writing. An initial waiver of the right to an itemized bill does not prevent the patient from later receiving an itemized bill upon request.

Amend the bill further, SECTION 1, by striking Section 44-7-327(B)(3)(b) and (c) and inserting:

 (b) the amount the healthcare facility alleges is due from the patient for each service and supply provided to the patient; and

 (c) if the healthcare facility sought or is seeking reimbursement from a third party, any billing code submitted to the third party, and the patient’s responsibility amount due to the healthcare facility pursuant the third party insurer’s explanation of benefits. The third party insurer's explanation of benefits shall set forth a specific explanation of the patient’s responsibility amount including, but not limited to, whether the amount is a deductible, coinsurance, or noncovered charges.

Amend the bill further, SECTION 1, by striking Section 44-7-327(B)(5) and inserting:

 (5) A healthcare facility may not pursue debt collection against a patient for a provided healthcare service or supply unless the healthcare facility has complied with this sectionprovided an itemized bill to the patient or the patient has waived the right to receive an itemized bill.

Renumber sections to conform.

Amend title to conform.

S.H. DAVIS for Committee.

statement of estimated fiscal impact

Explanation of Fiscal Impact

State Expenditure

This bill requires healthcare facilities that request payment from a patient after providing a healthcare service or related supply to a patient to provide the patient with a written or an electronic version of the itemized bill of the costs of each service and supply provided during the visit. The itemized bill must be submitted by the facility no later than the thirtieth day after the facility receives a final payment on the provided service from a third party. This bill also lists how a healthcare facility must notify the patient of their right to receive an itemized bill and allows for a patient to waive their right to receive an itemized copy.

Further, this bill lists what an itemized bill must include, that the facility may issue the itemized bill electronically, that a patient is entitled to request an itemized bill at any time after the initial copy, that initial waiver of the right to an itemized bill does not prevent the patient from later receiving an itemized bill upon request, and that a health care facility is not able to pursue debt collection against a patient unless the facility has complied with these requirements. Additionally, the appropriate licensing authority shall take disciplinary action against the facility for the violation as if the facility violated applicable licensing law.

**Department of Mental Health.** DMH states that currently all statements delivered to patients include an itemized ledger of all services and supplies. However, these itemized ledgers use abbreviations and medical procedure codes. Therefore, to comply with this bill, these abbreviations and medical procedure codes would need to be converted to plain language descriptions. The conversion would require approximately three working days for an IT Business Analyst III to complete. Based on the work time and average hourly cost, this would result in an estimated non-recurring expense of $1,200, $834 in salary and $366 in fringe benefits. There would not be a projected increase in other operating expenses due to the printing and mailing of the statements as they would be processed by an outsourced vendor. The inpatient division process would not require any changes. The agency anticipates being able to manage these expenses within existing appropriations.

**Department of Health and Human Services.** DHHS administers Medicaid for the state through Healthy Connections. DHHS states that this bill will have no fiscal impact on the agency as it does not impact Medicaid provider rates or reimbursements. Further, Medicaid providers are required to accept, as payment in full, the amounts paid by DHHS plus any copayment required by DHHS. Regarding Medicaid beneficiaries, the amount a patient owes to a provider will always be zero unless there was an unpaid copayment. Therefore, since Medicaid patients do not receive a bill for services, the bill will not impact DHHS.

**Department of Alcohol and Other Drug Abuse Services.** DAODAS does not provide direct healthcare services to patients. Therefore, changes in billing practices will only impact the agency to the extent that DAODAS provides guidance and/or assistance to healthcare service providers receiving DAODAS services. DAODAS anticipates that any changes or updates to existing billing practices can be managed within existing appropriations.

**Department of Vocational Rehabilitation.** VR does not bill their consumers for health services or supplies. Therefore, this bill will have no expenditure impact on the agency.

**Department of Veterans’ Affairs.** DVA currently oversees five of South Carolina’s six state-run veteran nursing homes. DVA will take over the sixth state-run veteran nursing home from DMH on July 1, 2025. The agency outsources the healthcare billing for these six facilities to a third-party vendor. DVA anticipates the billing vendor would need to hire an additional six employees, one for each nursing home, to scan and itemize the services and supplies. The annual cost per employee would be $60,000. Therefore, this bill would result in an increase of $360,000 expenses beginning in FY 2025-26 to cover the increased vendor costs. DVA anticipates this amount to increase as the agency opens additional state-run veteran nursing homes. The agency will request General Fund appropriations for these expenses.

**Department of Public Health.** Section 44-7-327 (B) of this bill requires healthcare facilities that request payment from a patient after providing a healthcare service or related supply to a patient to provide the patient with a written or an electronic version of the itemized bill of the costs of each service and supply provided during the visit. DPH is already required to provide itemized billing for the agency’s Title X program. Further, the agency recently implemented an electronic health records system that would be capable of handling the billing requirements of this bill. Therefore, this section of the bill will have no expenditure impact for DPH.

Section 44-7-327 (C) of this bill states that the appropriate licensing authority shall take disciplinary action against a healthcare facility for the violation as if the healthcare facility violated an applicable licensing law. If this responsibility were to fall on DPH, it would result in an undetermined expenditure impact for the agency. However, DPH states that it is not clear as to their responsibilities for this section at this time.

**Medical University of South Carolina.** The fiscal impact of this bill on MUSC is pending, contingent upon a response from the agency.

Local Expenditure

RFA contacted all counties to determine the impact on county hospitals. RFA received a response from the counties of Beaufort, Chesterfield, and Horry. Chesterfield and Horry Counties anticipate this bill will have no expenditure impact. Beaufort County expressed concern that this bill could result in an undetermined expenditure impact for their local hospital.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

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A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 44‑7‑327 SO AS TO ESTABLISH CERTAIN REQUIREMENTS PERTAINING TO PATIENT BILLING FOR HEALTH SERVICES AND SUPPLIES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 3, Chapter 7, Title 44 of the S.C. Code is amended by adding:

 Section 44‑7‑327. (A) For purposes of this section:

 (1) “Debt collection” means an action, conduct, or practice in collecting, or in soliciting for collection, consumer debts that are due or alleged to be due a creditor.

 (2) “Healthcare facility” means the same as defined in Section 44‑7‑130.

 (3) “Healthcare service” means a service a healthcare facility provides to an individual to diagnose, prevent, treat, alleviate, cure, or heal a human health condition, illness, injury, or disease.

 (B)(1) Beginning January 1, 2026, a healthcare facility that requests payment from a patient after providing a healthcare service or related supply to the patient shall:

 (a) provide to the patient an electronic version of the itemized bill of the alleged remittance sought for each service and supply provided to the patient during the patient’s visit to the healthcare facility; or

 (b) provide to the patient a copy of the written itemized bill of the alleged remittance sought for each service and supply provided to the patient during the patent’s visit to the healthcare facility.

 The healthcare facility must ensure the itemized bill is made available no later than the thirtieth day after the healthcare facility receives a final payment on the provided service or supply from a third party.

 (2)(a) The healthcare facility must notify the patient in clear and conspicuous language on the primary page of the bill of the availability of obtaining an itemized copy electronically or in writing pursuant to item (1) and must offer the patient the ability to indicate the preferred form of the itemized bill by checking an appropriate box on the primary page of the patient bill near the indication of the amount owed.

 (b) A patient may waive the right to receive an itemized bill by marking and initialing at a specified location subsequent to the language notifying the patient of the right to an itemized bill on the primary page. An initial waiver of the right to an itemized bill does not prevent the patient from later receiving an itemized bill upon request.

 (3) The itemized bill must include:

 (a) a plain language description, in accordance with the most current billing reading level requirements and guidance provided by the Centers for Medicare and Medicaid Services, for each distinct healthcare service and quantity of supply the healthcare facility provided to the patient;

 (b) the amount the healthcare facility alleges is due from the patient for each service and supply provided to the patient; and

 (c) if the healthcare facility sought or is seeking reimbursement from a third party, any billing code submitted to the third party, and the patient’s responsibility amount due to the healthcare facility pursuant the third party insurer’s explanation of benefits. The third party insurer's explanation of benefits shall set forth a specific explanation of the patient’s responsibility amount including, but not limited to, whether the amount is a deductible, coinsurance, or noncovered charges.

 (4)(a) A healthcare facility is legally authorized to issue itemized bills electronically, including through a patient portal on the healthcare facility’s website.

 (b) In accordance with items (1) and (2), a patient may obtain from the healthcare facility an itemized bill upon request any time after the itemized bill is initially issued.

 (5) A healthcare facility may not pursue debt collection against a patient for a provided healthcare service or supply unless the healthcare facility has complied with this section.

 (6) A collection agency is not liable under this section for billing inaccuracies provided by the healthcare facility. If any inaccuracies are determined, the collection agency must cease collection activities and return the account back to the healthcare facility.

 (C) The appropriate licensing authority shall take disciplinary action against the healthcare facility for the violation as if the healthcare facility violated an applicable licensing law.

SECTION 2. This act takes effect upon approval by the Governor.

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