

Three interesting bills: medical debt, mobile home park tenant rights and state data breaches

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A view of the Virginia House of Delegates Chamber in Richmond.

Hundreds of bills are filed for General Assembly consideration each year. In this weekly series, the Mercury takes a look at a few of lawmakers' 2024 proposals that might not otherwise make headlines during the whirlwind legislative session.

House Bill 34: Prohibiting medical debt collection after three years

This bill from Del. Nadarius Clark, D-Portsmouth, would prohibit the collection of medical debt if collection proceedings aren't begun within three years of the due date noted on the final invoice for a health care service. The prohibition would not apply to patients who are on a payment plan that allows a hospital or health care provider a longer period of time to collect medical debt.

Current law has a five-year statute of limitations for the collection of medical debt related to services provided in private hospitals. However, no such requirements

exist for public hospitals or debt collection agencies that buy medical debt from health care providers or hospitals.

Clark told a House Courts of Justice subcommittee this week that his bill would mean “after three years, families can’t be sued for any medical debt that they often have no choice in procuring.”

Del. Jay Leftwich, R-Chesapeake, one of two subcommittee members to vote against the bill, said he did so out of concern it doesn’t specifically target debt collectors and could result in unintended consequences for hospitals and health care providers.

In 2022, Gov. Glenn Youngkin vetoed a previous iteration of Clark’s bill that passed in the General Assembly with bipartisan support, similarly stating the legislation would have unintended consequences in that it could be read as applying to other forms of debt rather than just medical debt.

Brent Rawlings with the Virginia Hospital and Healthcare Association told the subcommittee his group doesn’t oppose or agree with the bill but said it needs to clarify when the statute of limitations starts and stops.

Clark said an amendment to his legislation would address those concerns and would not negatively impact hospitals or providers.

The bill passed the subcommittee 6-2 and cleared the full committee on a 12-10 party-line vote, with Democrats in support of the measure and Republicans opposing it.

Senate Bill 232 and House Bill 572: More rights for residents of manufactured home parks

Identical bills from Sen. Ghazala Hashmi, D-Richmond, and Del. Karrie Delaney, D-Fairfax, would give Virginians who live in mobile home parks additional rights related to rental agreements, late rent fees and eviction.

Under those bills, renters in manufactured home parks would be able to halt the automatic renewal of their rental agreement by notifying their landlord 60 days prior to the agreement's expiration date. Tenants would also be allowed to not renew a rental agreement if the landlord changes its terms if they notify the landlord within 30 days of receiving the notice of the change.

The bill also prohibits fees for late rent payments unless such fees are outlined in the rental agreement and caps them at 10% of rent or 10% of the balance the renter owes the landlord, depending on which is less.

Additionally, the legislation would give manufactured home tenants the right of redemption, or the right to remain in their residence after being served with a court-ordered unlawful detainer for late or missing rent if they have paid what is owed.

Virginia Poverty Law Center attorney Daniel Rezai said under current law, it's possible for tenants facing an unlawful detainer to still be evicted even if they have paid their late rent, late payment fees and court costs.

Rezai said he's represented many clients residing in manufactured homes where "unpaid rent is the main cause for eviction."

This week, Hashmi told the Senate Committee on General Laws and Technology the legislation is an effort to grant residents of manufactured home parks some of the same rights granted to other residents under the Virginia Residential Landlord and Tenant Act.

The VRLTA "impacts those who live in traditional rental facilities, but many of our folks continue to live in mobile parks, and issues of those communities are

slightly different,” Hashmi said. “Many families own the home, but they don’t own the land, and they are, in essence, tenants to the landlord who owns the property on which their houses sit.”

Hashmi’s bill passed the Senate unanimously. Delaney’s bill hasn’t yet been heard in the House of Delegates.

House Bill 666 Notifying Virginians of information breaches at state agencies

HB 666 from Del. Nick Freitas, R-Culpeper, would require every state agency to notify affected Virginians if a data breach occurs in the agency’s electronic information system that could compromise a resident’s personal information.

Under the bill, the agency would have to notify the state Chief Transformation Officer within 24 hours of the breach’s discovery and promptly notify affected citizens, although what is considered “promptly” is not defined.

Acceptable forms of notification would include written letter, telephone call, electronic notice or announcement of the breach on a state website or through the media.

The bill comes after multiple data breaches at state agencies last year, two of which occurred at the Department of Medical Assistance Services. On Feb. 7, 2023, state health plan Virginia Premier learned of a data security breach that affected one of its vendors, impacting numerous state Medicaid enrollees, who weren’t notified of the breach until almost three months later. That same year on Sept. 18, DMAS notified the U.S. Department of Health and Human Services’ Office for Civil Rights that a data breach affecting over 1.2 million residents had occurred.

In May 2023, another data breach occurred in a company the Virginia Retirement System works with, resulting in the leaking of data — including names and Social Security numbers — about the over 230,000 retirees and beneficiaries in the system.

