# *Tennessee Strategies to*
# Prevent Medical Debt

## Balance Billing and Short-Term Insurance

The federal No Surprises Act (NSA) protects patients from surprise medical bills (also referred to as "balance bills"), which are unexpected costs from out-of-network providers. Under the federal legislation, patients receiving emergency care or who are unknowingly treated by out-of-network providers during an in-network procedure are only required to pay the in-network cost-sharing amount for services provided. Effective January 1, 2022, the No Surprises Act applies to most health plans but not all care sites and services. States can legislate additional protections for balance bills not covered under the NSA, such as for ground ambulances, or limit the number of short-term, limited duration health plans available in the state, which traditionally cover fewer services putting enrollees at greater risk of incurring balance bills. Strategies examine in this section include:

Prohibitions on Balance Billing for Ground Ambulance Services

Prohibitions on Short-Term, Limited Duration Health Plans

## Charity Care and Community Benefit Requirements

This section reviews state laws aimed at preventing medical debt, including mandates for hospitals and health care providers to offer financial assistance policies, screen patients for insurance and charity care eligibility, and inform patients of charity care policies before collecting payment. Strategies examined in this section include:

Mandated Hospital Charity Care

Hospital Charity Care Screening Requirements

Hospital Charity Care Notification Requirements

Hospital Community Benefit Reporting Requirements

## Reducing Financial Consequences

This section examines how a state regulates providers' ability to collect medical debt once it has been incurred. States can mitigate the financial harm of medical debt by regulating how and when providers and collection agencies pursue repayment or by limited aggressive collection actions. Strategies examined in this section include:

Mandated Waiting Period Prior to Sending a Bill to Collections

Limits on Liens or Foreclosures due to Medical Debt

Limits on Wage Garnishment due to Medical Debt

Limits on the Amount of Interest Charged to Medical Debt

# Medical Debt Prevention

## Balance Billing and Short-Term Insurance

| Policy | Status as of June 2025 | Summary |
|---|---|---|
| Prohibits Balance Billing for Ground Ambulance Services | ⊗ Does not prohibit balance billing for out-of-network ground ambulance services | |
| Prohibits Short-Term, Limited Duration Health Plans | ⊗ Short-term, limited duration health plans are not prohibited or eliminated | |

● State Has Active Policy or Program ◉ Policy or Program Partially Implemented ⊗ State Does Not Have an Active Policy or Program * No Source, or Limited Information Found

# Medical Debt Prevention

## Charity Care and Community Benefit

| Policy | Status as of June 2025 | Summary |
|---|---|---|
| Mandated Hospital Charity Care | ⊗ State law does not require hospitals to provide free or discounted care to low-income patients | |
| Hospital Charity Care Screening Requirements | ⊗ State does not require health care providers to screen patients for Medicaid, Marketplace, or charity care eligibility before collecting payment | |
| Hospital Charity Care Notification Requirement | ● State law requires health care providers to notify patients of charity care options before collecting payment | Hospitals in Tennessee are required to post their charity care policy in an accessible public space. |
| Hospital Community Benefit Reporting Requirement | ● State law requires hospitals to annually report the amount of charity care provided | |

● State Has Active Policy or Program ◉ Policy or Program Partially Implemented ⊗ State Does Not Have an Active Policy or Program ✱ No Source, or Limited Information Found

# Medical Debt Prevention

## Reducing Financial Consequences

| Policy | Status as of June 2025 | Summary |
|---|---|---|
| Mandates Waiting Prior to Collections | ⊗ State law does not require a waiting period before sending medical debts to collections | |
| Limits on Liens or Foreclosures due to Medical Debt | ⊗ State law does not prohibit initiating a lien or foreclosure to collect medical debt | |
| Limits Wage Garnishment due to Medical Debt | ⊗ State law does not exceed federal wage garnishment protections for residents with medical debt | Tennessee law provides only the minimum wage garnishment protections required by federal regulations. However, if the individual subject to garnishment has dependent children, further exemptions are applied based on the number of children they support. |
| Limits on the Amount of Interest Charged to Medical Debt | ⊗ The state has not enacted a law to limit interest rates for medical debt | |

● State Has Active Policy or Program ◉ Policy or Program Partially Implemented ⊗ State Does Not Have an Active Policy or Program ✱ No Source, or Limited Information Found

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