



**National
Consumer Law
Center**

*Fighting Together
for Economic Justice*

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December 9, 2019

The Honorable Maxine Waters
United States House of Representatives
2221 Rayburn House Office Building
Washington, DC 20515

Dear Chairwoman Waters:

The National Consumer Law Center, on behalf of its low-income clients, writes to support the H.R. 5330, Consumer Protection for Medical Debt Collections Act, sponsored by Representative Tlaib. We wholeheartedly support this legislation, which would provide much needed protection for consumers struggling with medical debt.

NCLC has long been concerned about both credit reporting and medical debt. We have testified and commented frequently on both issues, we are the authors of NCLC's Fair Credit Reporting treatise (9th ed. 2017) and the medical debt chapter of our Collection Actions treatise (4th ed. 2017), and in November 2019 we published the issue brief *Don't Add Insult to Injury: Medical Debt & Credit Reports*. We have also published NCLC's Model Medical Debt Protection Act (updated September 2019).

As you know, medical debt is one of the most prevalent types of consumer debt, with one in five Americans being contacted by a debt collector over an unpaid healthcare bill. Medical debt is also one of the largest sources of negative information on credit reports, and the Consumer Financial Protection Bureau has found it constitutes over half of accounts reported by debt collectors. The CFPB also found that one in five Americans has a medical debt collection item in their credit reports.

Medical debt is different from many other types of consumer debt -- people do not plan to get sick or get hurt. Also, medical bills often end up in collections because of insurance or billing disputes. The negative impact of medical debts on credit reports often creates additional hardships, including difficulty securing affordable credit, insurance, mortgages or rental housing, and even jobs.

The Consumer Protection for Medical Debt Collections Act would address these problems. It would protect patients from being contacted by debt collectors for a two-year period. It would prevent the harm caused to a patient's credit report by prohibiting the inclusion of medical debt

arising from a medically necessary procedure. It would also provide for a one-year waiting period before other medical debts could be reported on a credit report.

The provisions in this bill will go a long way towards relieving one of the most significant burdens that patients and families face when seeking medical care for an unforeseen illness. It will help patients to focus on their treatment and recovery, rather than the financial hardship caused by their illness.

Thank you for your attention. If you have any questions about this letter, please contact April Kuehnhoff at akuehnhoff@nclc.org or (617) 542-8010.

Sincerely,

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