Medical debt harms tens of millions of consumers, with nearly 1 in 6 Americans contacted by a debt collector over a healthcare bill, and 21% of residents in mainly nonwhite zip codes with at least one medical debt in collection on their credit reports. Medical debt is a contributing cause to more than half of all consumer bankruptcies filed.

During the COVID-19 crisis, access to medical treatment is crucial to protecting public health. Lack of health insurance, lack of financial resources, and fear of more medical debt should not discourage individuals from seeking testing and treatment. The Biden Administration could take a number of steps to help those impacted by the COVID-19 public health and financial crises, including the following.

IN THE FIRST 100 DAYS, THE BIDEN ADMINISTRATION SHOULD:

Provide care for those who are ill without worsening medical debt

- Strengthen and clarify rules for providers who accept CARES Act “Provider Relief” funds for COVID-19 testing and treatment, to prevent surprise billing or additional fees for COVID-19 care including vaccines.
- Open a special enrollment period so consumers can buy health insurance through Healthcare.gov.
- Encourage states to make Medicaid eligibility retroactive for the full three months allowed under federal law, and approve Medicaid plans that include retroactive coverage.
- Issue IRS guidance to nonprofit hospitals about their responsibilities to provide charity care to all low-income hospital patients.
- Create and implement charity care plans at military hospitals and other federal health care providers that are not covered by the Affordable Care Act’s financial assistance rules.

Cancel medical debts owed to the federal government

- Cancel civilian and servicemember debts owed to military hospitals or other federal health care providers.

Protect struggling families with medical debt

- Work with Congress to halt lawsuits, wage garnishments, and credit reporting of medical debt during the pandemic.
- Work with the U.S. Department of Health and Human Services and Congress to cancel medical debts through the establishment of a special fund.

For more information, please contact National Consumer Law Center attorney Jenifer Bosco (jbosco@nclc.org)