

August 15, 2022

The Honorable Xavier Becerra  
Secretary  
U.S. Department of Health & Human Services  
200 Independence Avenue SW  
Washington, D.C. 20201

The Honorable Janet Yellen  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

The Honorable Denis R. McDonough  
Secretary  
U.S. Department of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, DC 20420

The Honorable Rohit Chopra  
Director  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, D.C. 20552

Dear Secretary Becerra, Secretary McDonough, Secretary Yellen, and Director Chopra:

The undersigned organizations thank the Biden-Harris Administration for taking steps to make quality health care accessible and affordable for all people. The administration has championed this cause consistently, recognizing that the COVID-19 pandemic took a disproportionate toll on those who were least able to bear it. Far too many people across the U.S. have suffered, in terms of both their health (physical and mental) and their finances. The reality is that the COVID-19 pandemic exposed the deep inequities in our health system – which are compounded by exorbitant costs, confusing and unclear billing processes, and discriminatory and harmful collection practices. We appreciate the steps the Biden-Harris administration, and your agencies in particular, have taken. There is so much more work to do to make health care more affordable and accessible, particularly in addressing medical debt. We encourage your departments and agencies to build upon your recent work and would like to hear about your plans to enforce and monitor your new policies and how you plan to expand this work.

Medical debt continues to harm the health and financial stability of people and families across the country. Indeed, there is perhaps no issue that so deeply impacts physical and mental health, as well as financial well-being, more than medical debt. We gratefully acknowledge your recent actions to protect people from financial harm relating to medical expenses. For instance, we appreciate the Department of Veteran's Affairs changing its debt reporting practices; the Consumer Financial Protection Bureau issuing guidance regarding reporting and collection of medical debts; and the Department of Health and Human Services taking steps to collect data to assess health care providers' billing practices and their effects on access to care. However, additional action is needed to make the impact on people's lives that this administration is committed to.

The scope and scale of medical debt warrants a robust and comprehensive response. One hundred million adults – 41 percent of all adults in the U.S. – hold medical debt in some form.<sup>1</sup> The debt has

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<sup>1</sup> Lunna Lopes, Audrey Kearney, Alex Montero, Liz Hamel, and Mollyann Brodie. Health Care Debt In The U.S.: The Broad Consequences Of Medical And Dental Bills. *Kaiser Family Foundation: Health Care Debt Survey*. June 16, 2022. <https://www.kff.org/report-section/kff-health-care-debt-survey-main-findings/>

far-reaching impact. Providers deny care to those with medical debt and individuals often delay care because they either have medical debt or are concerned about getting it.<sup>2</sup> People with medical debt experience damaged or ruined credit, upending financial stability, often to the point of drained savings and bankruptcy. Unsurprisingly, medical debt is attributed to people experiencing significant stress and anxiety, posing health risks themselves. Attempts to collect medical debt also impose serious burdens, which includes wage garnishments and liens on homes. Shockingly, an analysis of collection complaints submitted to the Consumer Financial Protection Bureau found widespread error in collection actions: nearly two-thirds (63 percent) of complaints assert that the debt was never owed, was not verified as the consumer's debt, was already paid, or had been discharged in bankruptcy.<sup>3</sup>

Discriminatory barriers to economic security and insurance coverage mean that medical debt disproportionately harms individuals who are Black, Indigenous, people of color, or part of other historically excluded populations – reminding us that medical debt is also a racial equity issue. The U.S. Census Bureau data shows there is a disproportionate effect on Black and Brown people and other oppressed or excluded populations, with nearly 27 percent of Black households and just under 19 percent of Latinx families having medical debt.<sup>4</sup> For many people, the headaches begin when bills are sent to third-party collection agencies. Evidence shows debt collectors disproportionately take action against Black people and other people of color, with these groups being more likely to have debts in collection, more likely to be contacted by debt collectors, and more likely to be subject to collection actions (lawsuits, wage garnishment, judgments, etc.).<sup>5&6</sup>

People and families across the country, who are currently burdened by unaffordable health care and medical debt,<sup>7</sup> can't wait. Bold actions are needed now to put an end to all harmful medical billing and collection practices. Each of your agencies has the authority to leverage the power of the federal government to ensure better health and economic stability for everyone. We are grateful for the ongoing commitment and leadership you and your agencies have demonstrated. We hope to hear from you about your goals for enforcing and monitoring your existing policies and any additional steps you intend to take. We look forward to working with you to achieve our shared goals of ensuring better health and well-being for all people, especially those most hurt by our health system today.

Sincerely,

Americans for Financial Reform

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<sup>2</sup> Noam N. Levey. "Denied Care for a Dangerous Infection Because of Past-Due Bills." *Diagnosis: Debt*. June 16, 2022.

<https://khn.org/news/article/diagnosis-debt-investigation-care-denied/>

<sup>3</sup> Ed Mierzewski and Mike Litt. Medical Debt Malpractice Consumer Complaints About Medical Debt Collectors, and How the CFPB Can Help. U.S. PIRG Education Fund. Spring 2017. <https://uspirg.org/sites/pirg/files/cnn/USN-012518-A3-REPORT/Medical-Debt-Malpractice-2.html>

<sup>4</sup> Neil Bennett, Jonathan Eggleston, Laryssa Mykyta and Briana Sullivan. 19% of U.S. Households Could Not Afford to Pay for Medical Care Right Away. U.S. Census Bureau, April 7, 2021. <https://www.census.gov/library/stories/2021/04/who-had-medical-debt-in-united-states.html>

<sup>5</sup> Berneta L. Haynes. The Racial Health and Wealth Gap Impact of Medical Debt on Black Families. National Consumer Law Center. March 2022. <https://www.nclc.org/images/pdf/medical-debt/RacialHealth-Rpt-2022.pdf>

<sup>6</sup> National Consumer Law Center. Racial Disparities in Consumer Debt Collection. [https://www.nclc.org/images/pdf/debt\\_collection/fact-sheets/fact-sheet-racial-disparities-in-debt-collection.pdf](https://www.nclc.org/images/pdf/debt_collection/fact-sheets/fact-sheet-racial-disparities-in-debt-collection.pdf)

<sup>7</sup> "Diagnosis: Debt." *Kaiser Health News and NPR*. <https://khn.org/news/tag/diagnosis-debt/>

Asian & Pacific Islander American Health Forum (APIAHF)  
Community Catalyst  
Dollar For  
Families USA  
Health Care for America Now (HCAN)  
Innovation for Justice  
Justice in Aging  
National Consumer Law Center, on behalf of our low-income clients  
National Health Law Program  
National Immigration Law Center (NILC)  
National Partnership for Women & Families  
RIP Medical Debt  
Unidos US  
US PIRG