



NATIONAL HEADQUARTERS
7 Winthrop Square, Boston, MA 02110
(617) 542-8010

WASHINGTON OFFICE
Spanogle Institute for Consumer Advocacy
1001 Connecticut Avenue, NW, Suite 510
Washington, DC 20036
(202) 452-6252

NCLC.ORG

**Testimony to the House Health & Government Operations Committee
HB268 Hospitals - Financial Assistance and Collection of Debts - Policies
Position: Favorable**

January 29, 2025

The Honorable Joseline Pena-Melnyk, Chair
Health & Government Operations Committee
Room 241, HOB
Annapolis, MD 21401
cc: Members, Health & Government Operations Committee

Honorable Chair Pena-Melnyk and Members of the Committee:

Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, and training. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitive practices, help financially stressed families build and retain wealth, and advance economic fairness

We are here in strong support of HB268, which builds on this committee's important work over the past few years of expanding health care access for working families and reducing medical debt. HB268 creates consistent guidelines and discounts for patients seeking to access financial assistance, expands eligibility for financial hardship assistance, prohibits reporting hospital medical debt to credit reporting agencies, and bans hospital lawsuits for medical debt of \$500 or less.

Medical debt is a significant problem throughout the country. Total medical debt in the United States is estimated to exceed \$140 billion,¹ with 41% of all adults—insured or uninsured—currently burdened by medical or dental debt.² According to recent estimates from the Consumer Financial Protection Bureau, 17.8% of Americans have at least one medical debt collection item on their credit reports.³ Furthermore, consumers regularly cite medical debt as a contributing cause of bankruptcy.⁴ Medical debt disproportionately impacts communities of color, people with disabilities or chronic medical conditions, low-income individuals, and uninsured or underinsured individuals, reducing access to credit, housing, and employment for these groups who already face financial exclusion or instability.⁵ HB268 would create common-sense protections to prevent medical debt at the outset and shield these families from many of the most harmful and troubling consequences of medical debt.

For all these reasons, we support HB268 and urge a favorable report.

Thank you, and if you have any questions or need further information, please contact me at bhaynes@nclc.org or at (301) 485-6195.

Sincerely,



Berneta L. Haynes, Senior Attorney
National Consumer Law Center, on behalf of our low-income clients

¹ Raymond Kluender, Ph.D., et al., “Medical Debt in the US, 2009-2020,” *Journal of the American Medical Assoc.* (July 20, 2021), Vol. 326, No. 3, pp. 250-256.

² Alex Montero, Audrey Kearney, Liz Hamel, and Mollyann Brodie, “Americans’ Challenges with Health Care Costs,” Kaiser Family Foundation (Dec. 21, 2023), available at <https://www.kff.org/health-costs/issue-brief/americanschallenges-with-health-care-costs/>.

³ Raymond Kluender, Ph.D., et al., “Medical Debt in the US, 2009-2020,” *Journal of the American Medical Assoc.* (July 20, 2021), Vol. 326, No. 3, pp. 250-256. See also “Medical Debt Burden in the United States,” Consumer Financial Protection Bureau (February 2022), available at https://files.consumerfinance.gov/f/documents/cfpb_medical-debt-burden-in-the-united-states_report_2022-03.pdf.

⁴ “Medical Debt Burden in the United States,” Consumer Financial Protection Bureau (February 2022), available at https://files.consumerfinance.gov/f/documents/cfpb_medical-debt-burden-in-the-united-states_report_2022-03.pdf. See also Himmelstein et al., “Medical Bankruptcy: Still Common Despite the Affordable Care Act,” *American Journal of Public Health* (Feb. 6, 2019), available at <https://ajph.aphapublications.org/doi/10.2105/AJPH.2018.304901>.

⁵ Berneta L. Haynes, “The Racial Health and Wealth Gap: Impact of Medical Debt on Black Families,” National Consumer Law Center (2022), available at <https://www.nclc.org/wp-content/uploads/2022/09/RacialHealth-Rpt2022.pdf>.