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**Testimony to the Council of the District of Columbia Committee on Health
B26-0438 Medical Debt Mitigation Amendment Act of 2025
Position: Support**

December 10, 2025

The Honorable Christina Henderson, Chair
Committee on Health
Room 500, John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004
cc: Committee on Health

Honorable Chair Christina Henderson 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 exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness.

We are here in support of B26-0438, which will reduce the burden of medical debt for families in the District of Columbia. B26-0438 expands access to hospital financial assistance for low-income families, limits credit reporting of medical debt, establishes protections against wage garnishment and home liens, and caps interest rates to 3% on medical debts.

Medical debt is a significant problem throughout the country. At least 41% of all adults—insured or uninsured—currently carry medical or dental debt,¹ with 14 million adults owing over \$1,000 and 3 million adults owing over \$10,000.² According to recent estimates from the Consumer Financial Protection Bureau, over 15 million Americans have unpaid medical bills on their credit reports, totaling more than \$49 billion.³ As of 2024, consumers also borrowed \$74 billion to pay medical bills, despite having insurance.⁴ Furthermore, consumers regularly cite medical debt as a contributing cause of bankruptcy.⁵

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.⁶ About 90,000 low-income families in DC have outstanding medical debt, according to the latest reporting from Tzedek DC.⁷ B26-0438 would create common-sense

protections to prevent medical debt at the outset and shield vulnerable DC families from many of the most harmful and troubling consequences of medical debt.

While we support B26-0438, we strongly suggest reconsidering the language in Section 6a(c)(1)(a)-(b) that requires providing patients a "good faith estimate" ("GFE") *before* offering to screen them for eligibility for hospital financial assistance ("FAP"). Furnishing a GFE before offering FAP screening or determining a patient's eligibility for financial assistance provides little, if any, advantage to the patient. Moreover, it could have the unintended negative effect of deterring the patient from accepting FAP screening or applying for financial assistance at all. A GFE may be beneficial, however, where a patient already has been offered FAP screening and refused it, or has been screened for FAP and found ineligible for financial assistance. In such cases, a GFE may enable the patient to negotiate a reasonable payment plan. Therefore, we suggest changing the language to clarify that a GFE should be provided only after a patient has either 1) refused FAP screening or 2) been screened and found to be ineligible for financial assistance.

Additionally, Section 6c limits credit reporting of medical debts but lacks some essential language that would go further to protect patients from harm. The section explicitly prohibits medical debt collectors from reporting medical debts to credit agencies. To better protect patients' credit reports, this language should be strengthened to explicitly prohibit employers, landlords, lenders, and other persons from using medical debt in credit reports in their decision-making.⁸

Overall, the bill goes a long way toward expanding access to financial assistance and protecting DC residents from some of the most harmful consequences of medical debt. For these reasons, NCLC supports B26-0438 and urges consideration of the above-suggested revisions.

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 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/>.

² Shameek Rakshit, Matthew Rae Twitter, Gary Claxton, Krutika Amin, and Cynthia Cox. "The burden of medical debt in the United States," Peterson-KFF Health System Tracker (Feb. 12, 2024), available at <https://www.healthsystemtracker.org/brief/the-burden-of-medical-debt-in-the-united-states/>.

³ "Recent Changes in Medical Collections on Consumer Credit Records," Consumer Financial Protection Bureau (March 2024), available at https://files.consumerfinance.gov/f/documents/cfpb_recent-changes-medical-collections-on-consumer-credit-reports_2024-03.pdf. See also 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.

⁴ Ellen Maese and Dan Witters. “Americans Borrow Estimated \$74 Billion for Medical Bills in 2024,” Gallup (Mar. 4, 2025), available at <https://news.gallup.com/poll/657041/americans-borrow-estimated-billion-medical-bills-2024.aspx>.

⁵ “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>.

⁶ 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>.

⁷ Despite the high rate of health insurance coverage in DC, approximately 20% of all adults in the district have medical debt. See Tzedek DC’s *More than a Bandaid: Systemic Changes to Protect DC Residents from Medical Debt*, June 2025, available at <https://static1.squarespace.com/static/57056a9e0442629a7a43ca60/t/68474643546dda494a22083c/1749501513218/Tzedek+-+25+Medical+Debt+Report+1.38.pdf>.

⁸ See Section 11 of National Consumer Law Center’s *Model Medical Debt Protection Act* for strong language banning medical debt from consumer credit reports, available at https://www.nclc.org/wp-content/uploads/2022/08/2025.03_Model-Law_Medical-Debt.pdf. See also “What States Can Do: Prevent Medical Debt from Ruining Credit Reports: Recommendations in the Face of Potential Federal Preemption Threats,” National Consumer Law Center (Nov. 2025), available https://www.nclc.org/wp-content/uploads/2025/05/202511_What-States-Can-Do_Medical-Debt-Credit-Reports.pdf.