National Consumer Law Center
Fighting Together for Economic Justice

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July 23, 2026

William Anderson
Office of the General Counsel
Department of Public Health
250 Washington Street
Boston, MA 02108
Sent via email to Reg.Testimony@mass.gov

Re: Proposed Amended Regulation 140 CMR 2: Medical Debt Reporting Requirements for providers licensed by boards within the Department

Dear Mr. Anderson:

The National Consumer Law Center (NCLC) writes in support of the Massachusetts Department of Health's (DPH) proposed regulation to prohibit the reporting of medical debt to a consumer reporting agency (CRA).[1] The proposed regulation would prohibit health care providers and facilities from reporting medical debts to CRAs and require them to include provisions in their contracts with debt collectors that prohibit the collectors from reporting medical debts. We believe that the regulation is well-reasoned and supported, and would greatly benefit tens of thousands of Massachusetts consumers. Additionally, we applaud the DPH for allowing private enforcement of this regulation under M.G.L c. 93A.

Medical debt in consumer reports issued by Equifax, Experian and TransUnion (also known as credit reports) wreaks havoc on the financial lives of millions of Americans, including those in Massachusetts. Data from the CFPB estimates that 15 million Americans had medical debt on

[1] The National Consumer Law Center ("NCLC") is a national research and advocacy organization focusing on the legal needs of consumers, especially low income and elderly consumers. For over 50 years NCLC has been the consumer law resource center to which legal services and private lawyers, state and federal consumer protection officials, public policy makers, consumer and business reporters, and consumer and low-income community organizations across the nation have turned for legal answers, policy analysis, and technical and legal support. This testimony was written by Kristin Meader, Intern, and April Kuehnhoff, Senior Attorney, with assistance from Chi Chi Wu, Director of Consumer Reporting and Data Advocacy.

their credit reports in 2023,[2] making medical debt the largest source of debt collection blemishes on credit reports. According to the CFPB's data, there was $49 billion in medical debts reported on consumer credit reports in 2023.[3] In Massachusetts, 1.4% of consumers with a credit report had medical debt on their credit report in 2023,[4] totaling around 80,000 consumers in the state.

Medical bills for life-saving and medically necessary care are often unexpected, and the expenses alone can throw a family into a financial crisis. Medical debts are often incurred involuntarily. The crisis is compounded when families cannot pay for these expenses and the debt is reported to the CRAs. Employers, landlords, insurers and creditors all use credit reports and negative information can compromise a family's financial stability by making access to credit, rental housing, insurance, and employment more difficult.

Medical debt is neither necessary nor appropriate for use in credit reporting or scoring because studies find that medical debts have little to no predictive value as to whether a consumer will repay a debt.[5] In addition, medical debt is frequently affected by billing errors, insurance disputes, and other inaccuracies.[6] As a result, medical debt on credit reports may penalize consumers based on inaccurate, disputed, or miscommunicated information. Consumers may not discover these inaccuracies until their credit reports or scores are accessed for important and time-sensitive transactions, such as when they are trying to buy a car or rent an apartment.[7]

Nationwide CRAs and other states have recognized the problems associated with including medical debt in credit reporting. In 2022, Equifax, Experian, and TransUnion voluntarily agreed to limit the reporting of medical debt on credit reports by not reporting debts under $500, less

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[2] Ryan Sandler & Zachary Blizard, *Recent Changes in Medical Collections on Consumer Credit Records*, Consumer Fin. Prot. Bureau (Mar. 2024), https://files.consumerfinance.gov/f/documents/cfpb_recent-changes-medical-collections-on-consumer-credit-reports_2024-03.pdf

[3] Id. at 4, n. 8.

[4] *The Changing Medical Debt Landscape in the United States,* Urban Institute (July 10, 2024), https://apps.urban.org/features/medical-debt-over-time/?r0=25#chart-area.

[5] Victor Duarte et al., *The Effects of Deleting Medical Debt from Consumer Credit Reports* (Nat'l Bureau Econ. Rsch., Working Paper No. 33644, 2025), https://www.nber.org/papers/w33644; Kenneth P. Brevoort & Michelle Kambara, *Data Point: Medical Debt and Credit Scores*, Consumer Fin. Prot. Bureau (May 2014), https://files.consumerfinance.gov/f/201405_cfpb_report_data-point_medical-debt-credit-scores.pdf

[6] See Kenneth P. Brevoort & Michelle Kambara, *Data Point: Medical Debt and Credit Scores*, Consumer Fin. Prot. Bureau (May 2014), https://files.consumerfinance.gov/f/201405_cfpb_report_data-point_medical-debt-credit-scores.pdf .

[7] *Medical Debt Burden in the United States*, Consumer Fin. Prot. Bureau (Feb. 2022), https://files.consumerfinance.gov/f/documents/cfpb_medical-debt-burden-in-the-united-states_report_2022-03.pdf

than one year old, or that had been paid.[8] Furthermore, fifteen states have enacted laws limiting or prohibiting the reporting of medical debt: California, Colorado, Connecticut, Delaware, Illinois, Maine, Maryland, Minnesota, New Jersey, New York, Oregon, Rhode Island, Vermont, Virginia, and Washington.[9]

We also offer the following recommendations to strengthen the proposed regulations:

- **Eliminate the waiver provision in 140 CMR 2.04**. As drafted, 140 CMR 2.04 authorizes the Commissioner to grant health care facilities or health care providers a waiver from one or more of the proposed regulatory requirements if compliance would cause undue hardship. This provision may undermine the proposed regulation's effectiveness by allowing a large number of waivers. Of the fifteen states that regulate medical debt credit reporting, none has adopted a similarly broad waiver provision. Thirteen states prohibit medical debt credit reporting without exception,[10] while the remaining two

[8] Chi Chi Wu, *The Latest on Keeping Medical Debt Out of Credit Reports*, Nat'l Consumer L. Ctr., (July 30, 2025) (last updated Sept. 3, 2025), https://library.nclc.org/article/latest-keeping-medical-debt-out-credit-reports

[9] Cal. Civ. Code §§ 1785.13(a)(7), 1785.20.6, 1785.27, 1786.18(a)(9), 1371.56(C)(1)(A) (limiting the furnishing, reporting, or use of medical debt information in credit evaluations); Colo. Rev. Stat § 5-18-109 (limiting CRAs reporting medical debt information); Conn. Gen. Stat., § 20-7i (limiting furnishers from reporting medical debt information); Del. Code Ann. tit. 6 §§ 2501J, 2507J (prohibiting furnishing medical debt information to CRAs and CRAs from reporting medical debt information); 815 Ill. Comp. Stat. 505/2EEEE (limiting CRA reporting of medical debt information); Me. Rev. Stat. tit. 10, §§ 1308, 1310-H (limiting the furnishing of medical debt information to CRAs and CRAs reporting medical debt information); Md. Code Ann., Com. Law § 14-1213 (restricting furnishing, reporting and use of medical debt information in credit evaluations); Md. Code Ann., Health-Gen. §§ 19-214.2(f), 24-2501, 24-2502 (limiting the reporting of medical debt information to CRAS by hospitals); Minn Stat. Ch. 332C (limiting the furnishing of medical debt information to CRAs and use of medical debt information by CRAs); N.J. Stat. Ann. § 56:11-58 (limiting the furnishing of medical debt information to CRAs and CRAs reporting medical debt information under $500); N.Y. Gen. Bus. Law § 380-j(f)(1) (prohibits CRAs from using medical debt information); N.Y. Pub. Health Law, art. 49-A (limiting hospitals and health care professionals from furnishing medical debt information to CRAs); Or. Rev. Stat. § 646A.677(11)-(12) (limiting the furnishing of medical debt information to CRAs and ACRAS reporting medical debt information); 6 R.I. Gen. Laws §§ 6-60-1 to 6-60-5 (limiting the furnishing of medical debt information to CRAs and ACRAS reporting medical debt information); Vt. Stat. Ann. tit. 9 § 2466d, tit. 18 § 9485(b) (limiting the furnishing of medical debt information to CRAs and CRAS reporting medical debt information); Va. Code Ann. § 59.1-444.4 (limiting the furnishing of medical debt information to CRAs); Wash. Rev. Code §§ 19.16.100, 19.182.040(1)(g), 19.16.250(28)(a)(iii), 70.41.400(2) (limits the furnishing of medical debt information to CRAS and CRAs reporting medical debt information). *See also* N.C. Dep't Health & Hum. Serv., *Toolkit for Other States on Medical Debt Initiative* (2024), https://www.ncdhhs.gov/medical-debt-toolkit/open (discussing North Carolina's Medical Debt Relief Incentive Program, where participating hospitals receive enhanced Medicaid payments in exchange for, among other things, limiting the reporting of medical debt to consumer reporting agencies).

[10] *See* Conn. Gen. Stat., § 20-7i; Colo. Rev. Stat § 5-18-109**;** Del. Code Ann. tit. 6 §§ 2501J; 2507J, 815 Ill. Comp. Stat. 505/2EEEE**;** Me. Rev. Stat. tit. 10, § 1310-H; Md. Code Ann., Health-Gen. §, 24-2502; Minn Stat. Ch. 332C**;** N.J. Stat. Ann. § 56:11-58; N.Y. Pub. Health Law, art. 49-A; Or. Rev. Stat. § 646A.677(11); 6 R.I. Gen. Laws § 6-60-2; Vt. Stat. Ann. tit. 18 § 9485(b); Va. Code Ann. § 59.1-444.4; Wash. Rev. Code § 70.41.400(2).

permit only limited and specifically defined exceptions.[11] In contrast, the waiver provision in 140 CMR 2.04 is neither limited nor specific. It does not define "undue hardship," identify the circumstances that may qualify for a waiver, nor show how a facility or provider would demonstrate undue hardships. As a result, this waiver provision creates significant uncertainty about the regulation's effectiveness.

- **Define the term "debt collector."** The term "debt collector" is not defined in 140 CMR 2.02. Relevant laws use multiple definitions of the term "debt collector",[12] thus the regulation should define "debt collector" to avoid confusion and ensure consistent application. We recommend a modified version of the definition from MGL c. 93 § 24:

  > "Debt collector", any person who uses an instrumentality of interstate commerce or the mails in any business the principal purpose of which is the collection of a debt, or who regularly collects or attempts to collect, directly or indirectly, a debt owed or due or asserted to be owed or due another.

  This modified definition appropriately omits the exclusions contained in M.G.L. c. 93, § 24. Those exclusions are unnecessary in this context because the purpose of the regulation is to broadly prohibit entities that collect medical debt from reporting such debt to CRAs. Accordingly, the definition should include all persons engaged in the collection of medical debt, including attorneys collecting medical debt and entities collecting medical debt that they acquired before default, both of which are excluded under the current statutory definition.

Finally, NCLC urges DPH to initiate a second rulemaking to regulate health care providers and health care facilities that offer medical credit cards or other medical lending products.[13] Four other states have already enacted state reforms related to these products: California,

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[11] *See* Cal. Ins. Code § 10112.75 (providing a narrow exception allowing credit reporting of medical debt when payment is mistakenly sent to the insured rather than the provider and not returned within a statutory time frame); Colo. Rev. Stat § 5-18-109(2) (allowing medical debt information in credit reports compiled for the purpose of narrow, pre-defined higher-dollar transactions).

[12] See Mass. Gen. Laws ch. 93, § 24 (defining "debt collector" for purposes of the Massachusetts debt collection statute); 209 Mass. Code Regs. 18.02 (defining "debt collector" for purposes of the Massachusetts Debt Collection Regulations); Fair Debt Collection Practices Act, 15 U.S.C. § 1692a(6) (defining "debt collector" under federal law).

[13] *See, e.g.,* Consumer Financial Protection Bureau, Medical Credit Cards and Financing Plans (May 2023), https://files.consumerfinance.gov/f/documents/cfpb_medical-credit-cards-and-financing-plans_2023-05.pdf; Nat'l Consumer L. Ctr., Comments in Response to CFPB, HHS, and Treasury Request for Information Regarding Medical Payment Products (Sept. 2023), https://www.nclc.org/resources/comments-in-response-to-cfpb-hhs-and-treasury-request-for-information-regarding-medical-payment-products/; April Kuehnoff & Chi Chi Wu, Health Care Plastic: The Risks of Medical Credit Cards, Nat'l Consumer L. Ctr. (Apr. 2023), https://www.nclc.org/resources/what-states-can-do-medical-credit-cards-and-other-medical-lending-products/.

Connecticut, Illinois, and New York.[14] By issuing its own regulations, DPH could similarly prohibit abusive practices such as arranging, brokering, or establishing third-party credit or loans, especially products with deferred interest.[15] States have also outlawed other abusive practices by medical practitioners such as filling out credit or loan applications on behalf of patients and signing patients up for medical financial products while they are under anesthesia or in treatment areas.[16]

Thank you for your consideration. If you have any questions about these comments, you can contact me at the email address below.

Sincerely,

April Kuehnhoff
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[14] *See* Cal.,Bus. & Prof. Code § 2-1-654.3 (2025) (prohibiting providers from charging patients more than thirty days before treatment, completing any portion of a patient's medical credit application, arranging financing while a patient is under anesthesia or in a treatment area, and requiring disclosures and notices); 2026 Conn. Acts No. 26-6 (Reg. Sess.) (prohibiting providers from advertising, marketing, soliciting, promoting, or offering financing while patients are under anesthesia, receiving treatment, or in a treatment area; completing or providing links to financing applications, or receiving compensation for promoting financing products, requiring specified written disclosures to patient, and treating violations of such rules as unfair or deceptive trade practices); Ill. Pub. Act No. 103-0733 (2024) (prohibiting dentists and dental employees from arranging, completing, or facilitating third-party financing applications for patients, promoting financing while patients are receiving treatment or under anesthesia, requiring specified written disclosures, and implementing fines for violations); N.Y. Gen. Bus. Law §§ 349-G, 519-A (2025) (prohibiting hospitals, health care providers, and their employees or agents from completing any portion of a patient's application for medical financing products, requiring disclosures each time patients use credit cards to pay for medical services regarding the risks, including the loss of state and federal medical debt protections).

[15] "Deferred interest" plans are credit card accounts that promote "no interest" until a certain date, but then retroactively assess interest starting from the purchase date if the consumer does not pay off the entire balance by the specified date. See Chi Chi Wu, NCLC, Deceptive Bargain: The Hidden Time Bomb of Deferred Interest Credit Cards, December 2015, https://www.nclc.org/wp-content/uploads/2022/09/report-deferred-interest.pdf .

[16] *See* Cal.,Bus. & Prof. Code § 2-1-654.3 (2025) (prohibiting providers completing any portion of a patient's medical credit application or arranging financing while a patient is under anesthesia or in a treatment area); 2026 Conn. Acts No. 26-6 (Reg. Sess.) (prohibiting providers from advertising, marketing, soliciting, promoting, or offering financing while patients are under anesthesia, receiving treatment, or in a treatment area; or completing any portion of or providing links to financing applications); Ill. Pub. Act No. 103-0733 (2024) (prohibiting dentists and dental employees from arranging, completing, or facilitating third-party financing applications for patients, or promoting financing while patients are receiving treatment or under anesthesia); N.Y. Gen. Bus. Law §§ 349-G, 519-A (2025) (prohibiting hospitals, health care providers, and their employees or agents from completing any portion of a patient's application for medical financing products).