

May 11, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, U.S. Capitol
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230, U.S. Capitol
Washington, D.C. 20515

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
S-220, U.S. Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington, D.C. 20515

Dear Speaker Pelosi, Leader McConnell, Leader Schumer, and Leader McCarthy,

The 27 undersigned consumer, civil rights, community, legal services, and other public interest organizations urge you to include S1581/HR 6470 the Medical Debt Relief Act of 2019 in the next COVID-19 relief package. The reforms in the Medical Debt Relief Act are urgently needed to allow American families to access the health care they need without further straining their finances during this public health crisis.

Medical debt is the [most frequent subject](#) of debt collection communications, Medical debt is also one of the largest sources of negative information on credit reports, and the Consumer Financial Protection Bureau has found it [constitutes over half of accounts](#) reported by debt collectors. The CFPB also found that one in five Americans has a medical debt collection item in their credit reports.

Medical debt is different from many other types of consumer debt -- people do not plan to get sick or get hurt. Also, medical bills often end up in collections because of insurance or billing disputes. The negative impact of medical debts on credit reports often creates additional hardships, including difficulty securing affordable credit, insurance, mortgages or rental housing, and even jobs.

Even before the pandemic, the cost of health care already dissuaded many consumers from seeking the treatment they need. [Fear of medical debt](#) is widespread, and concerns about affordability and skyrocketing health care costs lead many Americans to go without care. During the COVID-19 emergency, access to health care is even more critical to protecting public health.

Fear of medical debt should not factor into a patient's ability to seek necessary treatment for COVID-19 or any other medical condition.

The Medical Debt Relief Act will protect consumers from the unfair impact of medical debt by prohibiting credit reporting agencies from including medical debt in collections on credit reports for one year. This will ensure that consumers have time to resolve their complex, confusing medical bills after they have received treatment. The Medical Debt Relief Act also mandates that all paid or settled debt, including medical collections, be removed within 45 days from credit reports, which will allow consumers to quickly improve their credit once they have resolved the debt.

With soaring unemployment and uncertainty during this public health crisis, it is critical that all consumers in need of medical care are able to access it. The Medical Debt Relief Act will allow consumers to comfortably seek the medical care they need by protecting them from the economic fallout of medical debt and providing them the time they need to work out arrangements to pay for their care after they have recovered.

Thank you for your attention. If you have any questions about this letter, please contact Linda Jun at linda@ourfinancialsecurity.org,

Sincerely,

Americans for Financial Reform
Arkansas Community Institute
Center for Digital Democracy
Center for Economic Integrity
Center for Responsible Lending
Charlotte Center for Legal Advocacy
Columbia Legal Services
Community Legal Services of Philadelphia
Connecticut Legal Services, Inc.
Consumer Action
Consumer Reports
Demos
East Bay Community Law Center
Empire Justice Center
Jacksonville Area Legal Aid, Inc.
Legal Aid Justice Center
Maryland Consumer Rights Coalition
NAACP
National Association of Consumer Advocates
National Consumer Law Center (on behalf of its low-income clients)
Public Counsel

Public Justice Center
Public Law Center
The Legal Aid Society of Palm Beach County, Inc.
Tzedek DC
U.S. PIRG
VOICE - OKC