

January 30, 2025

Senate Committee on Labor and Business
Oregon State Capitol
900 Court St NE
Salem, OR 97301

RE: Support for SB 605

Chair Taylor, Vice Chair Bonham, and Members of the Committee:

Reimagine Oregon urges your support of SB 605, Ending Credit Reporting on Medical Debt. The bill aims to address the serious issue of medical debt impacting Oregonians and ensure greater financial and health equity for all.

Medical debt negatively impacts people's credit scores, even though major credit reporting agencies have already voluntarily removed some medical debt from credit reports and acknowledged that it is not a reliable indicator of someone's ability to pay future bills. Often, medical debt is sent to collections despite not being the individual's responsibility, as health insurance claims can take a long time to process.

Nearly one in three Oregonians has medical debt because of routine or emergency care in the past two years. Unlike other forms of debt, medical debt is not by choice. It arises from unexpected emergencies or necessary, life-saving treatments. Communities of color, uninsured individuals, and disabled adults face disproportionate impacts, further exacerbating existing inequities in access to care.

SB 605 would:

- Remove existing medical debt from credit reports.
- Prohibit debt collectors, hospitals, and other reporting entities from reporting medical debt to credit reporting agencies.
- Ensure the credit reporting ban includes credit reports used for employment and tenant screening.
- Include targeted healthcare credit cards such as CareCredit in this ban.

An injury or an illness and the accompanying costs should not impact on their economic opportunities. This debt is often involuntary and unpredictable. This debt is not a predictor of creditworthiness.

We urge your support of SB 605 to provide Oregonians with the protections so their credit isn't harmed by medical debt. Thank you for your consideration and service to Oregon communities.

Sincerely,

Justice Rajee
Director Reimagine Oregon Project