



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:

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

For over 58 years, the Oregon Consumer League has worked to protect Oregonians' rights through education, policy development and advocacy. Our mission includes advancing pro-consumer legislation on the state and national level and defending against policies that harm Oregon consumers.

Nearly one in three Oregonians have medical debt because of routine or emergency care in the past two years. Unlike other forms of debt, medical debt often arises from unexpected emergencies or necessary, life-saving treatments. Even someone covered by health insurance can find themselves left with thousands of dollars' worth of medical bills that, if left unpaid, can lower their credit score and harm their ability to access credit. Communities of color, uninsured individuals, and disabled adults face disproportionate impacts, further exacerbating existing inequities in access to care.

Medical debt is one of the most disputed debts as bills are frequently confusing, are opaque, or lack documentation. It is not uncommon for people to receive collection notices for debts they did not owe and bills that should have been covered by insurance. Insurance claims and disputes may take months to process, and often medical debt is sent to collections despite not being the individual's responsibility.

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.

When people face illness or injury, and accompanying bills, they should not have unnecessary barriers to economic opportunities, such as securing a job or renting or purchasing a home. SB 605 implements a common-sense policy to prohibit credit reporting of medical debt.

We urge your support of SB 605 to provide Oregonians with protections from harm to their credit from medical debt. Thank you for the opportunity to submit testimony and your service to Oregon communities.

Sincerely,

Michelle Druce
Executive Director
Oregon Consumer League