



January 31, 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 Gerontological Association 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.

We enhance knowledge and cultivate a network of all those involved in the field of aging to improve the lives of older adults and those who support them in Oregon and SW Washington. Our network enables service providers, policy makers, businesses, educators, researchers, students and others to share expertise and best practices to address challenging issues.

Bill Overview

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. According to AARP, although medical debt is a problem for people of all ages, adults age 50 and older are particularly affected, as they are more likely to need expensive medical treatments. More than 44 percent of people age 50 to 64, and 22 percent of people age 65 and older, carry medical debt.

Key Provisions

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.
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- Compared with older adults living in nonrural areas, older adults living in rural areas are particularly vulnerable to the negative impacts of medical debt, according to the CFPB. They tend to live near fewer healthcare providers and hospitals. They are also less likely to have comprehensive health insurance. And they are more likely to be in poor health and to live in poverty.
 - SB 605 implements a common-sense policy to prohibit credit reporting of medical debt. Medical debt is not a predictor of creditworthiness. And on average, removing medical debt increases an individual's credit score by 20 points.

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

Sincerely,

Joyce De Monnin
Chair, Oregon Gerontological Association Policy Committee