



January 31, 2025

TO: Oregon Senate Committee on Labor and Business

RE: SB605 (Campos/Sosa), Relating to Medical Debt Reporting- SUPPORT

Chair and members of the committee,

I am Adam Zarrin, the Director of State Government Affairs for the Leukemia & Lymphoma Society. The Leukemia & Lymphoma Society® (LLS) is a global leader in the fight against cancer. The LLS mission: Cure leukemia, lymphoma, Hodgkin's disease and myeloma, and improve the quality of life of patients and their families. LLS funds lifesaving blood cancer research around the world, provides free information and support services, and is the voice for all blood cancer patients seeking access to quality, affordable, coordinated care.

We support Senate Bill 605 by Senator Campos and Representative Sosa.

Medical debt has become pervasive for families across America. 1 in 3 Americans (including 1 in 3 Oregonians) has a personal experience with medical debt. This is mainly due to rising healthcare costs. Even with insurance, individuals face increasing out-of-pocket costs like deductibles and co-pays. For those with a chronic illness like a blood cancer, those costs pile up. For example, in the first year after diagnosis of acute leukemia, a patient can pay almost \$500,000 in medical bills.

Medical debt fundamentally differs from other types of debt—no one applies for or chooses to get sick or have a medical emergency. Medical billing is riddled with errors, often forcing individuals into collections or payment plans for bills they do not actually owe or that should have been covered by insurance.

We can protect patients from the most extraordinary types of collection actions. SB605 will prohibit credit reporting of medical debt. On average, removing medical debt from a credit report increases an individual's credit score by 20 points. This is a common-sense and nonpartisan approach—having blood cancer should have no bearing on your creditworthiness.

The Consumer Financial Protection Bureau (CFPB) issued a final rule to remove medical bills from most credit reports, but ongoing litigation threatens its effectiveness. To protect



consumers, Oregon should follow other states that have already passed similar laws or are considering them. The CFPB [also commented on SB 605](#).

Legal precedent supports state action on this issue. In *Consumer Data Industry Association v. Frey* (2022), the First Circuit upheld Maine's Medical Debt Reporting Act, ruling that the Fair Credit Reporting Act (FCRA) does not preempt all state laws on consumer reports. The CFPB reinforced this in July 2022 with an interpretive rule affirming states' rights to enact stronger consumer protections. Subsequent federal court rulings have upheld this position, strengthening the case for state-level action.

We appreciate your consideration of this critical legislation. Please support SB605 to ensure that patients can move on with their lives without long-term financial stress caused by medical debt.