



May 16, 2025

TO: Oregon House Committee on Commerce and Consumer Protection

RE: SB605A (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 605A 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 owe or that should have been covered by insurance.

We can protect patients from the most extraordinary types of collection actions. SB605A 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](#).

According to a [white paper by VantageScore](#), removing medical debt from credit scores will not impact most consumers. Some (12 to 27%, depending on the specific VantageScore model) will experience an increase averaging 15 points. The number of individuals with a decreased credit score is negligible. Nevertheless, the VantageScore 3.0 and 4.0 models “maintain their effectiveness in rank ordering risk after these reporting changes.” In summary, removing medical debt from credit reports makes it easier for some to get credit, likely those with the most medical debt. However, it has little or no impact on the other consumers seeking or using credit.

We appreciate your consideration of this critical legislation. Please support SB605A to ensure that patients can move on with their lives without long-term financial stress caused by medical debt.