

To: Chair Sosa, Vice-Chair Chaichi, Vice-Chair Osborne, and members of the House Committee on Commerce and Consumer Protection
From: Bridget Buddill, Legislative Advocate at the Oregon Law Center
Re: Support for Senate Bill 605 – End Credit Reporting of Medical Debt
Date: May 15, 2025

Chair Sosa, Vice-Chair Chaichi, Vice-Chair Osborne, and members of the House Committee on Commerce and Consumer Protection:

Thank you for considering [Senate Bill 605](#), which stops medical services providers from reporting medical debt to consumer reporting agencies and prohibits agencies from including medical debt in consumer reports. On behalf of the Oregon Law Center (OLC), we ask that you please support this bill.

OLC is a legal aid organization that provides free, civil legal services to low-income Oregonians all across our state. Although nearly all of our clients receive medical care through Medicaid (the Oregon Health Plan (OHP)), many members of our client communities are still burdened by medical debt. Most often, this debt stems from periods before clients were eligible for or, enrolled in, OHP, or during periods when eligibility changed. **In our 2024 client community survey, respondents said that medical debt was their *number one* consumer protection problem.** We also know that having medical debt forces families to choose between necessities¹ and incentivizes people to forgo necessary care, which makes people sicker.²

It bears emphasizing that **SB 605 doesn't change a person's obligations to pay their debt.** Instead, this bill protects people and families from having the existence of a medical debt limit their future opportunities to succeed. Right now, a person applying for a job or an apartment in Oregon can lose out on those opportunities because medical debt on a credit report wrongly suggests to a potential employer or landlord that they are less reliable than others without medical debt. But **medical debt is an unreliable indicator of a person's consumer practices because it is not debt created by choice, nor is medical care the same consumer environment as other goods and services**, where

¹ Hamel, L., Norton, M., Pollitz, K., Levitt, L., Claxton, G., & Brodie, M. (2016, April 12). *The Burden of Medical Debt: Results from the Kaiser Family Foundation/New York Times Medical Bills Survey - Section 3: Consequences of Medical Bill Problems*. Figure 13. The Henry J. Kaiser Family Foundation. <https://www.kff.org/report-section/the-burden-of-medical-debt-section-3-consequences-of-medical-bill-problems/>.

² Landry, A. (2024, March 7). *Fear Of Medical Debt Drives Patients to Skip Care*. Forbes. <https://www.forbes.com/sites/adairalandry/2024/03/06/fear-of-medical-debt-drives-patients-to-skip-care/>; *Are Financial Barriers Affecting the Health Care Habits of American Men?* The Commonwealth Fund (2022, July 14). <https://www.commonwealthfund.org/publications/issue-briefs/2022/jul/are-financial-barriers-affecting-health-care-habits-american-men> (37 percent of American men reported skipping or delaying medical care due to cost concerns, with income insecure men and men with stressful jobs doing so most often, and 45 percent of American men reported having at least one medical bill problem); *Burden of Medical Debt*. Table 4. <https://www.kff.org/report-section/the-burden-of-medical-debt-section-3-consequences-of-medical-bill-problems/>.



folks can shop around for deals, wait for sales, and plan for when to make a purchase. Medical debt also disproportionately burdens people with chronic health needs³ and disabilities⁴, Black Americans⁵, and people in non-metro areas.⁶ It hurts low- and middle-income people, alike.⁷

Medical bills are also very complex and often contain mistakes that are incredibly difficult for consumers to identify, unpack, and correct.⁸ Prohibiting reporting of medical debt on credit reports and during job and tenancy screenings protects consumers from the consequences of mistakes they did not make.

If passed, **SB 605 will meaningfully help Oregon families haunted by medical debt have access to more opportunities, like good jobs and places to call home.** Removing debt-related barriers to success will support Oregonians in attaining increased stability and meeting financial obligations, including *paying down* outstanding debt. Please support SB 605.

Thank you for your consideration,

Bridget

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The Oregon Law Center's mission is to achieve justice for low-income communities in Oregon by providing a full range of the highest quality civil legal services.

³ Bernard, D., Selden, T. M., & Fang, Z. (2023). The Joint Distribution of High Out-Of-Pocket Burdens, Medical Debt, and Financial Barriers to Needed Care. *Health Affairs*, 42(11) Exhibit 1. <https://doi.org/10.1377/hlthaff.2023.00604> (non-seniors with diabetes were almost twice as likely to have medical debt than those that did not).

⁴ The Burden of Medical Debt in the United States. *Peterson-KFF Health System Tracker*. (2024, February 12). <https://www.healthsystemtracker.org/brief/the-burden-of-medical-debt-in-the-united-states/#Share%20of%20adults%20who%20have%20medical%20debt> (more than twice as many adults with disabilities have medical debt than those without disabilities).

⁵ *Id.* (13 percent of Black adult Americans have medical debt versus 8 percent of all American adults).

⁶ *Id.* (11 percent of adults living in non-metro areas have medical debt, versus eight percent in metro areas).

⁷ *Id.* (11 percent of persons earning 0-199 percent, and 10 percent of persons earning between 200-399 percent, of the Federal Poverty Level have medical debt).

⁸ For example, the Centers for Medicare and Medicaid services has created a webpage dedicated to helping people check their medical bills for errors, including tips for consumers on how to cross-check billing code accuracy). See *Check your medical bill for errors* | Center for Medicare and Medicaid Services. (n.d.). <https://www.cms.gov/medical-bill-rights/help/guides/bill-errors>.