



May 15, 2025

House Committee on Commerce and Consumer Protection  
Oregon State Capitol  
900 Court St NE  
Salem, OR 97301

**Re: Support for SB 605 A**

Chair Sosa, Vice Chair Osborne, Vice Chair Chaichi, and Members of the Committee:

The Oregon Consumer League urges your support of SB 605 A, Ending Credit Reporting on Medical Debt, with the proposed clarifying amendment. The bill aims 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.

In January 2025, the Consumer Financial Protection Bureau issued a rule banning the inclusion of medical debt on credit reports. However, a Congressional Review Act resolution introduced in the House and Senate, in addition to pending litigation, have prevented the federal rule from being implemented. Oregon consumers need the Oregon legislature to address this serious issue.

Although major credit reporting agencies have voluntarily removed some medical debt information from credit reports and have acknowledged that it is not a reliable indicator of someone's ability to pay future bills, medical debt continues to negatively impact people's credit scores. Medical debt is often sent to collection companies, although the debt may not be the individual's responsibility. Health insurance claims can take a long time to process, and this delay compounds the problem.

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 is not by choice. It arises from unexpected emergencies or necessary, life-saving treatments. Communities of color, uninsured individuals, and disabled adults face disproportionate impacts, further exacerbating existing inequities in access to care.

## 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.

Medical debt is often involuntary and unpredictable – people do not plan to get sick or injured. 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.

Medical debt is one of the most disputed forms of debt, and people often receive collection notices for debts they did not owe and bills that should have been covered by insurance. When people face illness or injury, and accompanying bills, they should not have to then navigate unnecessary barriers to economic opportunities, such as securing a job or renting or purchasing a home.

Oregon should join the many states that are passing similar protections for consumers. We urge your support of SB 605 A 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,

Michelle Druce  
Executive Director  
Oregon Consumer League