

To the Senate Finance Committee,

My name is Michael Dalto. I live in Baltimore and own a small consulting business called High Note Consulting. I support Senate Bill 514, the Medical Debt Protection Act.

I formerly directed the Maryland Assistive Technology Loan Program, a program in the Maryland Department of Disabilities that provides low-interest, guaranteed loans to Marylanders with disabilities to buy disability-related technology. In that capacity, I reviewed hundreds of credit reports for loan applicants with disabilities. A very high percentage – if memory serves me, at least one third – showed collections or judgments for medical debt.

I routinely asked applicants to explain their credit issues. Many reported that their medical debts were not legitimate. They explained that they had medical insurance that should have covered the charges for which they were billed, and they had tried to resolve the issues by contacting their insurance providers and hospitals or other medical service providers, but to no avail. Others reported they had been uninsured when they incurred the bills. Some told me they had very low incomes when they incurred the debts, and had never been informed by hospitals that they may have qualified for financial assistance. The great majority said they were unable to afford to repay the outstanding bills. All had suffered harm to their credit due to the debts.

SB 514 would limit the harm that aggressive collection of hospital debt inflicts on Marylanders with disabilities and others. It would require hospitals to negotiate reasonable repayment plans and limit the circumstances in which hospitals can sue patients or garnish their wages. The bill would help protect our vulnerable residents from financial ruin and destruction of their credit. I urge you to support the bill.

Thank you.