



## **HB 1020: Consumer Protection - Credit Reporting - Medical Debt**

### **(Fair Medical Debt Reporting Act)**

#### **Testimony of the Maryland Independent Living Network**

#### **SUPPORT – Favorable**

House Economic Matters Committee, February 18, 2025

The Maryland Independent Living Network is a coalition of the Maryland Statewide Independent Living Council and the seven Maryland-based Centers for Independent Living (CIL). CILs are created by federal law. CILs work to enhance the civil rights and quality of services for people with disabilities. There are seven CILs located throughout Maryland, operated by and for people with disabilities. CILs provide Information and Referral, Advocacy, Peer Support, Independent Living Skills training, and Transition Services to individuals with disabilities in their communities.

The Independent Living Network submits this written testimony in **support** of HB 1020.

HB 1020 prevents consumer reporting agencies from including medical debt on credit reports and stops health care providers from reporting medical debt to credit bureaus. This bill is key for protecting Maryland residents, particularly those in vulnerable communities like people with disabilities, low-income families, and individuals with chronic health conditions.

Medical debt is not a choice. It can result from emergency situations or unexpected medical needs. For many Marylanders, this type of debt can be devastating, leading to years of financial hardship. Debt collection practices can make a tricky situation even worse.

People with disabilities and chronic illnesses often have ongoing medical needs, and they are disproportionately affected by medical debt. The Consumer Financial Protection Bureau (CFPB) reports that medical debt is the most common type of debt on credit reports. Black and brown communities, seniors on fixed incomes, and veterans are hit hardest. With the CFPB currently shut down, it is even more urgent that Maryland protects residents from these harmful practices.

Unfortunately, hospitals in Maryland have been suing patients, garnishing wages, and seizing assets from people already struggling. This is unfair and harmful, especially for those who are simply trying to recover their health.

HB 1020 prevents medical debt from appearing on credit reports and stops harmful collection actions. It will give people the chance to recover from illness or injury without the added stress of financial ruin.

Nobody chooses to have medical debt. It's time for Maryland to act and protect patients from predatory financial practices and ensure that Marylanders are not financially exploited.

We appreciate the consideration of these comments.

The Maryland Independent Living Network strongly **supports** HB 1020 and requests a favorable vote.

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