



Testimony on HB 1020 (MGA 2025)

Consumer Protection - Credit Reporting –
Medical Debt (Fair Medical Debt Reporting Act)

Position: FAV

February 14, 2025

To Chair Wilson and Members of the Economic Committee:

My name is Ricarra Jones, and I am the Political Director with 1199SEIU United Healthcare Workers East. We are the largest healthcare workers union in the nation, representing over 400,000 workers across the East Coast with 10,000 members in Maryland and Washington, DC.

We urge Maryland to join the nine states that have enacted the Fair Medical Debt Reporting Act. Already, California, Illinois, New York and New Jersey have adopted the Act. Indeed, our neighbor Virginia adopted its own Fair Medical Debt Reporting Act in 2024.

The Fair Medical Debt Reporting Act would:

- Ban healthcare providers from furnishing medical debt to consumer reporting agencies.
- Bar consumer reporting agencies from considering medical debt in determining creditworthiness.
- Require healthcare providers' contracts with debt collectors to prohibit the debt collectors from reporting medical debt. Any medical debt that is furnished to a consumer reporting agency is made void.
- Prohibit reporting agencies from including medical debt in consumer reports.

The need is urgent to adopt these consumer protection measures on the State level. The federal Consumer Financial Protection Bureau had finalized a rule that would have applied Fair Medical Debt Reporting Act nationwide. Although final, the rule was not effective until March 2025 and the new Administration has placed a Stop on this rule (and indeed, threatened the very existence of the CFPB).

Through no fault of their own, our members often face medical emergencies that lead to significant medical debt in the aftermath of catastrophic life events. Medical debt can then have a snowball effect: wreaking havoc on credit reports/scores and providing obstacles to our members as they apply for loans, housing, and jobs. Two-thirds of all personal bankruptcies are attributable to medical debt. Moreover, the validity of these medical debts is often in doubt due to complex billing practices and insurance discrepancies.

SEIU1199 supports the passage of HB 1020 because our members should not have to bear the financial and emotional costs of a healthcare system whose financing has gone off the tracks.

We support HB 1020 and urge a favorable report.

Respectfully,
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