



TESTIMONY FOR HB1020

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

Bill Sponsor: Delegate Palakovich-Carr

Committee: Economic Matters

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of HB1020 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state. We have over 30,000 members across the state.

Health care bills, and especially hospital bills can drive people into bankruptcy very quickly. It is hard enough for people who have few resources and have to work multiple jobs to make a living to pay off such large debts, and those debts come back around to harm them even more because consumer reporting agencies report them to potential creditors.

This bill will prohibit consumer reporting agencies to include medical debt in their reports. Additionally, no one can use medical debt information included in a consumer report to make a determination regarding the credit-worthiness of the consumer. Hospitals and other medical creditors should be setting up payment plans that allow low-income and struggling residents pay off their debt. Those debts should not preclude the person who has the debt from getting credit.

The Maryland Legislative Coalition supports this bill and we recommend a **FAVORABLE** report in Committee.