



MARYLAND/DC

CREDITORS BAR ASSOCIATION, INC.

2/14/25

CONCERNS WITH SB614/HB1020
CONSUMER PROTECTION –CREDIT REPORTING-MEDICAL DEBT
(FAIR MEDICAL DEBT REPORTING ACT)

The Maryland/DC Creditors Bar Association is an organization comprised of 53 member law firms. Member law firms strive to ethically represent the interests of our clients.

The Maryland/DC Creditors Bar appreciates the relief sought in SB619/HB1020 which is to protect consumers' credit reports/scores from being negatively impacted as a result of unexpected medical debt. However, the definition of Medical Debt in SB619/HB1020 is too broad and will encompass other credit products. Furthermore, other bills (SB349/HB429) introduced this session also contain a definition of Medical Debt that differs from the definition in SB619/HB1020. The definition of Medical Debt should be uniform to avoid unintended consequences.

THE DEFINITION OF MEDICAL DEBT IS TOO BROAD

The definition of Medical Debt in SB614/HB1020 is too broad and will create unintended consequences. The definition of Medical Debt should be amended to clarify that Medical Debt is debt owed directly to a health care facility or health care provider. Absent this clarification, items charged to a credit card for "Medical Debt" such as elective procedures (i.e. cosmetic procedures) or the purchase of exercise equipment would be included in the definition of Medical Debt.

The Creditors Bar suggests the following definition of Medical Debt as defined by the Consumer Financial Protection Bureau in its finalized rule on Medical Debt dated January 7, 2025. This definition was adopted in the State of California in a similar bill (CA SB 1061) during its 2024 legislative session.

"Medical debt information means medical information that pertains to a debt owed by a consumer to a person whose primary business is providing medical services, products, or devices, or to such person's agent or assignee, for the provision of such medical services, products, or devices. Medical debt information includes but is not limited to medical bills that are not past due or that have been paid."

The CFPB proposed rules takes an academic and well researched approach to the issue of Medical Debt and specifically states Medical Debt is owed to a medical service provider and it does NOT include debt on a credit card.

The Maryland/DC Creditors Bar Association urges the adoption of the CFPB's definition of Medical Debt which will provide the intended protections of SB614/HB1020 but will avoid the unintended consequences that will be created by the current definition.

Thank you for your intention to this matter. Please feel free to contact me with any questions or if I may be of assistance.

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