



**Testimony to the House Health & Government Operations Committee  
HB405 Prince George's County - Hospitals - Sale of Patient Debt PG 402-25  
Position: Unfavorable**

February 5, 2025

The Honorable Joseline Pena-Melnyk, Chair  
Health & Government Operations Committee  
Room 241, HOB  
Annapolis, MD 21401  
cc: Members, Health & Government Operations Committee

Chair Pena-Melnyk and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances economic rights and equity for Maryland families through research, education, direct service, and advocacy. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are here in opposition to HB405 which aims to roll back a longstanding consumer protection prohibiting the sale of hospital medical debt to debt buyers in order to facilitate medical debt forgiveness.

Although we appreciate the intent of the Prince Georges delegation in bringing this bill forward, it is overly broad and lacks crucial consumer protection guardrails including:

- requiring hospitals to stop collection actions, reverse adverse information reported to credit bureaus, and dismiss lawsuits against patients whose debt is sold;
- limiting debt relief to debt that is two years or older;
- limiting debt relief to lower-income people, to focus the assistance on working families with the highest need of help, including those just above the current reduced-cost care guidelines;
- establishing a sunset provision so that this is used for a specific purpose and does not allow predatory debt buyers to purchase medical debt for pennies on the dollar.

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A recent NBER paper<sup>1</sup> found that *debt relief has no average impact on survey measures of mental and physical health, healthcare utilization, and financial wellbeing* and suggested that upstream approaches as this committee has focused on would be a better way to address these issues. Other research has found that focusing more on aggressive and extraordinary collection items would benefit low-income households more.

That being said, we are happy to work with the delegation to include strong consumer protections into the bill and if those were included, we would withdraw our opposition. I'm happy to share suggestions with the bill sponsors.

For all these reasons we oppose HB405 and urge an unfavorable report.

Best,

Marceline White  
Executive Director

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<sup>1</sup> [https://www.nber.org/system/files/working\\_papers/w32315/w32315.pdf](https://www.nber.org/system/files/working_papers/w32315/w32315.pdf)

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