

SB 514: The Medical Debt Protection Act

Position: **FAVORABLE**

To the Senate Finance Committee:

I am a Baltimore City resident and a member of the End Medical Debt Maryland Coalition. I strongly support the Medical Debt Protection Act (SB514).

This bill will protect low and middle-income households from punitive medical debt lawsuits. It will prohibit medical debt lawsuits for \$1000 or under, require income-based repayment plans, and prevent wage garnishments and liens on homes over medical debt. I believe passage of this bill **with all provisions intact** is essential for Maryland families.

SB 514 does not ask hospitals to forgive all debts; rather, it simply asks hospitals, the very institutions to which we entrust our lives, to be humane, reasonable, and compassionate in *how* they collect debts. Lawsuits, with their undue stress and accumulated extra costs, are a collections approach that is neither humane nor compassionate.

When I first learned about this predatory hospital practice, I was shocked. The very hospitals that we trust to care for us and our communities are in the regular practice of filing suits – an extreme measure – against already-struggling patients. To sue patients and their families during difficult seasons of their lives – because seasons that require lengthy hospital stays or that result in large medical bills are certainly difficult – feels akin to kicking someone while they are already down.

I was also horrified to learn that homes are often threatened in these lawsuits over outstanding medical bills. Housing and shelter are the most basic and fundamental human need; they are sources of stability and security for all of us. For homes to be threatened over unpaid medical bills, many of which are low in sum as the median amount per lawsuit is only \$944, is essentially asking Marylanders to choose between their homes and their health.

Nobody *chooses* to be sick. You or someone you love has been confronted with unexpected medical bills at some point. For me, a standard wisdom tooth extraction in 2010 turned into a months-long ordeal requiring multiple surgeries and countless rounds of antibiotics. This experience underscored to me how lucky I was to have a solid support network, composed of caring friends, solid insurance coverage, and generous parents. Had only one of those elements not been in place, this single unexpected medical issue would have wrought long-lasting, debilitating effects on my life. Nobody deserves to be punished for being sick, for requiring healthcare.

I respectfully urge this committee to issue a favorable report on SB 514 because it will put in place simple mechanisms to prevent hospitals from enacting excessive cruelty on their patients through liens on homes, wage garnishments, and lawsuits over debts of \$1000 and under.

Sincerely,

Valerie Hsu
Baltimore City, District 45