

May 11, 2020

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
H-232, U.S. Capitol  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
S-230, U.S. Capitol  
Washington, D.C. 20515

The Honorable Chuck Schumer  
Minority Leader  
U.S. Senate  
S-220, U.S. Capitol  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
H-204, U.S. Capitol  
Washington, D.C. 20515

Dear Speaker Pelosi, Leader McConnell, Leader Schumer, and Leader McCarthy,

The 27 undersigned consumer, civil rights, community, legal services, and other public interest organizations urge you to include S1581/HR 6470 the Medical Debt Relief Act of 2019 in the next COVID-19 relief package. The reforms in the Medical Debt Relief Act are urgently needed to allow American families to access the health care they need without further straining their finances during this public health crisis.

Medical debt is the [most frequent subject](#) of debt collection communications, Medical debt is also one of the largest sources of negative information on credit reports, and the Consumer Financial Protection Bureau has found it [constitutes over half of accounts](#) reported by debt collectors. The CFPB also found that one in five Americans has a medical debt collection item in their credit reports.

Medical debt is different from many other types of consumer debt -- people do not plan to get sick or get hurt. Also, medical bills often end up in collections because of insurance or billing disputes. The negative impact of medical debts on credit reports often creates additional hardships, including difficulty securing affordable credit, insurance, mortgages or rental housing, and even jobs.

Even before the pandemic, the cost of health care already dissuaded many consumers from seeking the treatment they need. [Fear of medical debt](#) is widespread, and concerns about affordability and skyrocketing health care costs lead many Americans to go without care. During the COVID-19 emergency, access to health care is even more critical to protecting public health.

Fear of medical debt should not factor into a patient's ability to seek necessary treatment for COVID-19 or any other medical condition.

The Medical Debt Relief Act will protect consumers from the unfair impact of medical debt by prohibiting credit reporting agencies from including medical debt in collections on credit reports for one year. This will ensure that consumers have time to resolve their complex, confusing medical bills after they have received treatment. The Medical Debt Relief Act also mandates that all paid or settled debt, including medical collections, be removed within 45 days from credit reports, which will allow consumers to quickly improve their credit once they have resolved the debt.

With soaring unemployment and uncertainty during this public health crisis, it is critical that all consumers in need of medical care are able to access it. The Medical Debt Relief Act will allow consumers to comfortably seek the medical care they need by protecting them from the economic fallout of medical debt and providing them the time they need to work out arrangements to pay for their care after they have recovered.

Thank you for your attention. If you have any questions about this letter, please contact Linda Jun at [linda@ourfinancialsecurity.org](mailto:linda@ourfinancialsecurity.org),

Sincerely,

Americans for Financial Reform  
Arkansas Community Institute  
Center for Digital Democracy  
Center for Economic Integrity  
Center for Responsible Lending  
Charlotte Center for Legal Advocacy  
Columbia Legal Services  
Community Legal Services of Philadelphia  
Connecticut Legal Services, Inc.  
Consumer Action  
Consumer Reports  
Demos  
East Bay Community Law Center  
Empire Justice Center  
Jacksonville Area Legal Aid, Inc.  
Legal Aid Justice Center  
Maryland Consumer Rights Coalition  
NAACP  
National Association of Consumer Advocates  
National Consumer Law Center (on behalf of its low-income clients)  
Public Counsel

Public Justice Center  
Public Law Center  
The Legal Aid Society of Palm Beach County, Inc.  
Tzedek DC  
U.S. PIRG  
VOICE - OKC