



Mike Tipping
Senator, District 8

THE MAINE SENATE
131st Legislature

3 State House Station
Augusta, Maine 04333

Senator Bailey, Representative Perry and members of the Joint Standing Committee on Health Coverage, Insurance & Financial Services, my name is Mike Tipping and I have the honor of representing Senate District 8 in Penobscot County. I am here today to introduce an amended version of LD 2115, "An Act Requiring Health Care Providers to Engage in Fair Practices When Selling Medical Debt."

I sponsored this bill because I am deeply concerned about the medical debt crisis that is affecting our friends, loved ones, and neighbors across the state. As the cost of health care continues to rise, Mainers have to make difficult choices between foregoing necessary care and taking on huge amounts of debt that will financially disadvantage their family into the future.

This isn't just an individual issue. Medical debt prevents Mainers from starting a business, buying a home, or pursuing education. It's a burden on our entire state and society.

This problem is obviously part of larger systemic issues that will require broader changes to remedy, but as we work on fixing the larger health care system, people will continue to take on this debt because they often do not have any meaningful choice.

The purpose of this bill is to protect patients from unfair business practices when they do take on that debt and to mitigate the long-term impacts that such debt can have on them and their families.

Specifically, the amendment I am proposing would prohibit debt buyers and collections agencies from:

- Charging interest
- Charging fees
- Litigating to collect on debt and
- Reporting negatively to credit agencies

According to Consumers for Affordable Health Care, more than 40% of Mainers have medical debt and that more than two thirds of people would have trouble paying a \$500 medical bill in the next thirty days. And this debt lingers for most people - of the folks who had taken on medical debt in the past 5 years, 75% of them still had debt to pay off.

The issue of crippling medical debt will not be quickly solved but the intent of this bill and the amendment that I am proposing is to ensure that when people do have debt they are

treated fairly and help to prevent that debt from spiraling out of control through unchecked interest and fees.

Thank you for your time and attention. I would be happy to answer any questions.