

3/25/2025

Testimony in favor of LD 558 An Act to Strengthen Consumer Protections by Prohibiting the Report of Medical Debt on Consumer Reports

Senator Donna Bailey, Representative Lori Gramlich, and honorable members of the Health Coverage, Insurance and Financial Services Committee (or HCIFS Committee), my name is Patty Kidder and I am a resident of Springvale, located within the city of Sanford. I am here today to speak in favor of LD 558 An Act to Strengthen Consumer Protections by Prohibiting the Report of Medical Debt on Consumer Reports.

In today's world, a person's credit report & score means success or failure, whether they can buy their next car to get to work or even get an apartment to live in, let alone buying a house and needing a mortgage. Most employers are checking people's credit before giving them a first interview if not, before they hire anyone.

Medical debt is not a good indicator of whether a person pays their installment debt and living expenses on time. Most people are like me and my husband, we pay our mortgage on time every month and our living expenses but for us, because of unpaid medical bills, we were unable to just go buy a newer used car when the engine blew in our only working vehicle.

We didn't qualify for a real auto loan at a lower rate, longer term or the low money down specials that are available for people with the higher credit scores. We had to save money for over 3 months and ask a family friend in bank management to help me get a small personal loan to get enough money together for me to buy a 2008 Dodge Grand Caravan last May. And guess what? That small loan is on auto-pay and has been paid early every month, but most people don't have a family friend who is a bank branch manager to help them out in their time of desperate need.

I am concerned about how many people will NOT seek medical care when they need it because of the medical bills they can't afford to pay, that will in turn end up in collections and the damage that will do to their credit rating and life. I know this happens to people who have insurance as well as those who don't. Many private for profit health insurance policies have very high deductibles and high denial rates that scare people away from getting the medical care they truly need.

Many uninsured people will avoid seeking medical care because of the effects unpaid medical debt will have on their credit report. While I was growing up, my parents were self-employed and we could never afford health insurance for our family (in the '70's - long before the ACA). None of us received health care of any kind until it was absolutely necessary for fear of the effects medical debt would have on their credit report. Their ability to get credit to buy the inventory needed for their small business every year was key to their success or failure. They needed good credit to be able to stay in business year after year. Getting credit meant whether they were going to be able to pay the mortgage, have food for us to eat, a roof over our heads or NOT.

Health care is a human right and people in Maine shouldn't be making their health care decisions based on what it will eventually do to their credit rating and ability to get credit or a new place to live. You have the opportunity to help many Mainers make better health care decisions and have the ability to lead a more productive life. I ask you to please support LD 558 and vote Ought to Pass.

Thank you for your time and I will do my best to answer any questions.

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