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

Greetings Senator Bailey, Representative Gramlich and members of the Committee on Health Coverage, Insurance and Financial Services. My name is Bridget Quinn, Associate State Director of Advocacy and Outreach for AARP Maine.

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. On behalf of our nearly 200,000 members statewide, thank you for the opportunity to share testimony on medical debt today.

Medical debt is a significant issue for many residents in Maine, including our older residents. Roughly one-fifth of households nationally report having medical debt, according to a report from the Consumer Financial Protection Bureau (CFPB). That report also found that consumers carried more than \$88 billion in medical debt on their credit reports in 2021.

Adults aged 50 and older are particularly affected by medical debt, as they are more likely to need expensive medical treatments. More than 44 percent of people age 50 to 64 carry medical debt, and 22 percent of people age 65 and older, carry medical debt.

Sometimes medical debt is incurred due to unexpected catastrophic healthcare needs; however, many older adults nationally are carrying debt due to their routine health care services. A Kaiser Family Foundation poll found that among Medicare-age adults with medical debt some of that debt was caused by routine care such as diagnostic tests and lab costs, and doctor office visits.

The same Kaiser Family Foundation survey found that among adults 65+ who are carrying medical debt, over half of them have delayed or forgone medical treatment or prescription drugs due to the cost. This is dangerous and can exasperate existing health problems. Further, medical debt on credit reports can lower credit scores and impair people's ability to obtain loans, employment, housing, and insurance.

LD 558 will prohibit the reporting of medical debt on consumer reports, positively impacting Mainers. An Urban Institute report found that the average credit score of consumers whose medical debt collections disappeared from credit reports increased from 585 to 615 in a year. A law like LD 558 will allow more Mainers to experience such increased financial security.

We see this bill as an opportunity to address real crisis experienced by Mainers. We also hope to continue to work with this committee to address policies that will better protect older Mainers and directly address the affordability of health care, so that fewer people face the problems of medical debt, medical collections, and the resulting repercussions.

Thank you for the opportunity to testify if you should have any questions, please contact me at bquinn@aarpmaine.org.

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