



**LEGAL SERVICES
FOR MAINE ELDERS**

**Testimony of Legal Services for Maine Elders (LSE) in Support of LD 2129
An Act to Prohibit Liens on Principal Residences and Wage Garnishments for Medical Debt
Joint Standing Committee on Health Coverage, Insurance and Financial Services**

Good afternoon, Senator Bailey, Representative Mathieson and members of the Committee:

My name is Marge Kilkelly, and I am speaking on behalf of Legal Services for Maine Elders (LSE). LSE provides free civil legal assistance to older Mainers, with a focus on people who have limited means. We support LD 2129 because it draws an important, practical line: medical debt should not be collected in ways that put a person's home or paycheck at risk.

For many of our clients, the home is the one stable platform they still have. It is often modest. It is often fully paid off, or close to it. It is also often the only meaningful asset a person has left after a lifetime of work. When medical debt becomes a lien threat against a principal residence, it does not just create financial stress. It creates housing insecurity, and that insecurity quickly becomes a health problem of its own.

Wage garnishment can be just as destabilizing. Many older Mainers continue to work, or rely on limited wage income in addition to Social Security. Others are living in multi-person households where wages are essential to keeping the lights on and the heat running. When wages are garnished for medical debt, the household budget does not "tighten." It breaks. Rent, utilities, food, and medications compete for too few dollars, and something gets skipped.

LD 2129 addresses those predictable harms in a targeted way. It does not erase medical bills. It does not prevent a provider from billing, negotiating, or offering payment plans. It does not stop ordinary dispute resolution or insurance appeals. Instead, it removes two extreme enforcement tools that are disproportionate in this context: wage garnishment and collection actions that attach or execute against a person's principal residence.

That balance matters. Medical debt is not like other consumer debt. It frequently arises from urgent circumstances, limited choice, and confusing billing and insurance processes. Even diligent, responsible people can be hit with large balances from a hospitalization, a procedure, out-of-network charges, ambulance transport, lab work, or a coding dispute. For older people, the combination of fixed incomes and health needs makes these shocks especially hard to absorb.

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There is also a broader public-interest rationale. When medical debt collection threatens housing and wages, it increases the risk of homelessness, utility shutoffs, and skipped care. Those outcomes carry social costs that are paid elsewhere, by emergency systems, public benefits, and strained community resources. Maine can reduce those downstream costs by protecting the basics that keep people stable: a roof over their head and income needed to meet essential expenses.

LD 2129 also supports a more constructive dynamic between patients and creditors. In our experience, people are more likely to engage with realistic payment plans and seek help early when they are not under the immediate threat of losing their home or a portion of their paycheck. Stability improves communication. Fear shuts it down.

If the Committee is open to amendments, we offer one practical point for consideration: the bill should be clear that these protections apply whether the medical debt is held by the original provider or has been sold or assigned to a third party. Otherwise, the protections risk being undermined by easy workarounds.

LD 2129 is a focused, common-sense proposal. It preserves lawful avenues for seeking payment, while preventing medical debt from triggering the most destabilizing remedies. For older Mainers served by LSE, that protection can be the difference between stability and crisis.

Thank you for your consideration. LSE urges the Committee to vote "ought to pass" on LD 2129.