



Testimony of Trevor Putnoky
to the Joint Standing Committee on Health Coverage, Insurance and Financial Services

In Support of

LD 2115, An Act Requiring Health Care Providers to Engage in Fair Practices When Selling Medical Debt

February 29, 2024

Good afternoon, Senator Bailey, Representative Perry, and Members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services.

My name is Trevor Putnoky. I'm the President and CEO of the Healthcare Purchaser Alliance of Maine and I'm here today to testify in support of LD 2115, as amended.

The Healthcare Purchaser Alliance of Maine (HPA) is a nonprofit that represents the purchasers of health care in Maine. Our mission is to advance healthcare value and to support and incentivize high-quality, affordable care. We have over 60 members, including some of the largest public and private employers and health trusts in Maine. Collectively, our members spend over a billion dollars annually providing health care for nearly one quarter of the commercially insured population in the state.

With the costs of healthcare continuing to rise, Maine consumers are increasingly struggling—and sometimes failing—to afford the costs of care. Many Mainers—particularly the most financially vulnerable among us—are skipping necessary care because they can't afford it, and when they do get care, they are often left with medical debt that takes years to pay off.¹

A recent survey of Mainers revealed the extent of those struggles, with more than one in three Mainers reporting that they skipped or delayed going to the doctor when they were sick due to costs. One third struggled to pay for basic necessities like food, heat, or housing due to medical bills.² And when they do get care, they are often left with medical debt. The same survey found that four in ten Mainers have medical debt in their household, and nearly 30 percent of Mainers were contacted by a collection agency within the past two years due to a medical bill, with 83 percent reporting that contact was due to a hospital bill.³ Another survey by the Kaiser Family Foundation found that nearly one in five adults with medical debt don't think they will ever pay off that debt.⁴

¹ Digital Research Inc., *Views of Maine Voters On Health Care Affordability*, Consumers for Affordable Health Care, May 11, 2023. Available at: https://mainecahcorg.presencehost.net/file_download/7383e8ab-ca5a-4569-b9d3-d230b0fb029a.

² Ibid.

³ Digital Research Inc.

⁴ Lunna Lopes, Audrey Kearney, Alex Montero, Liz Hamel, and Mollyann Brodie, "Health Care Debt in the U.S.: The Broad Consequences of Medical and Dental Bills," *Kaiser Family Foundation*, June 16, 2022. Available at: <https://www.kff.org/report-section/kff-health-care-debt-survey-main-findings/>.



Such medical debt is a leading cause of bankruptcy in the U.S.⁵ And among those adults who have incurred medical debt—60 percent say they have been forced to cut back on basic necessities like food or clothing.⁶ Moreover, black and Latino adults and women are much more likely to incur medical debt.⁷ Further, according to the Commonwealth Fund, “uninsured patients, those from low-income households, adults with disabilities, and young families with children are all at a heightened risk of being saddled with medical debt.”⁸

Many of us are one illness or accident away from facing an unaffordable medical bill. Even those with insurance are at risk, with a 2023 survey finding that between 30–33 percent of those with commercial insurance or Medicare have medical debt. As prominent healthcare expert Elisabeth Rosenthal wrote in 2022, “outlays for medical treatments are generally not something we can consider in advance and decide—yes or no—to take on. They are thrust upon us by illness, accident, and bad luck. Medical treatment generally has no predictable upfront price and there is no cap on what we might owe.”⁹

At some point during the medical billing process, a provider may opt to assign or sell a patient’s medical debt to a collection agency. As the Commonwealth Fund noted in a recent report, debt collection agencies “often engage in aggressive efforts to collect on the debt.”¹⁰ The amended version of LD 2115 would seek to prohibit debt buyers and collection agencies from pursuing some of these tactics against Mainers who may already be struggling to pay off medical debt, including charging interest or fees, taking patients to court, and reporting patients’ debt to credit agencies.

We understand the need for providers to receive payment for services they provide. But when a patient incurs debt due to illness, accident, or health conditions beyond their control, we think it is appropriate to shield them from the sorts of collection tactics identified in LD 2115 as they work to pay off that debt.

We hope that the committee will support this common-sense solution to assist the many Mainers who struggle with medical debt. Thank you for the opportunity to provide HPA’s feedback on LD 2115 and thank you to Senator Tipping for bringing forward this important issue. I’d be happy to answer any questions and will be available for the work session.

⁵ David U. Himmelstein et al., “Medical Bankruptcy: Still Common Despite the Affordable Care Act,” *American Journal of Public Health* 109, no. 3 (Mar. 2019): 431–33.

⁶ Maanasa Kona and Vrudhi Raimugia, “State Protections Against Medical Debt: A Look at Policies Across the U.S.,” *The Commonwealth Fund*, September 7, 2023. Available at: <https://www.commonwealthfund.org/publications/fund-reports/2023/sep/state-protections-medical-debt-policies-across-us>.

⁷ Miranda Santillo et al., “Communities of Color Disproportionally Suffer from Medical Debt,” *Urban Wire (blog)*, Urban Institute, Oct. 14, 2022. Available at: <https://www.urban.org/urban-wire/communities-color-disproportionally-suffer-medical-debt>; Neil Bennett et al., “19% of U.S. Households Could Not Afford to Pay for Medical Care Right Away,” *U.S. Census Bureau*, Apr. 7, 2021. Available at: <https://www.census.gov/library/stories/2021/04/who-had-medical-debt-in-united-states.html>; and Robin A. Cohen and Amy E. Cha, “Problems Paying Medical Bills: United States, 2021,” *National Health Statistics Reports*, no. 180 (National Center for Health Statistics, Jan. 18, 2023). Available at: <https://www.cdc.gov/nchs/data/nhsr/nhsr180.pdf>.

⁸ *Ibid.*

⁹ Elisabeth Rosenthal, “The Debt Crisis That Sick Americans Can’t Avoid,” *KFF Health News*, August 2, 2022. Available at: <https://kffhealthnews.org/news/article/medical-debt-costs-bankruptcy-college-loan-forgiveness/>.

¹⁰ Kona and Raimugia.