

- Thank you, Director Chopra and CFPB for having us today to speak about the incredibly harmful impacts of medical debt affecting millions of people.
 - Addressing the root causes and harms of medical debt is a top priority for Community Catalyst, and something our organization has been working on for more than 15 years.
 - At Community Catalyst, we believe health care in the U.S. is inadequate and far too expensive because it has been built and shaped by corporate interests that put profit over people.
 - That is why last year, we launched a campaign with over 80 state and national partners, several of you who are in the room today, to take action on medical debt. We've collected stories, driven comments to petitions, and held a day of advocacy in D.C.
- Medical debt is a health care and economic issue. The effect of medical debt is far-reaching: including necessary care denied by providers or delayed and forgone by individuals, damaged or ruined credit upending families' financial stability, drained savings and bankruptcy, stress, anxiety and altered life trajectories.
 - 41 percent of adults in the United States – hold some form of medical or dental debt.
 - And discriminatory barriers to economic security and insurance coverage mean that medical debt disproportionately harms Black, Indigenous, people of color and other historically excluded populations.
 - And as the CFPB knows, medical debt is also the most common type of consumer debt in collection – accounting for more than \$88 billion.
- Unlike a car payment or a mortgage, you cannot plan for a health issue that saddles you with medical debt.
 - No one should have to exhaust their life savings, retirement accounts, or lose their housing because they got sick.
 - But as our recent polling showed us, affordability of health care and medical debt are very much front of mind issues.
 - Out of 1,000 voters, the overwhelming majority of whom had insurance, over half reported struggling with health care costs with nearly as many reporting that they had some form of medical debt.
 - And 75% of those voters supported doing exactly what we're discussing here today: removing medical debt from credit reports.
 - A low credit score or bad credit report due to medical debt has prevented people from getting housing, from getting a car and – in some cases – from even getting a job.
- So, we need to address the problem now and in the future and understand the damage this has already caused.

- Like Misty in Colorado who shared her story about getting life-saving heart surgery, but being saddled with \$200,000 in medical bills and unable to divorce her abusive partner. Because medical debt had destroyed her credit score, Misty could not get housing, a car, or a credit card on her own, forcing her to stay in an abusive relationship for 20 years. Misty studied and got her license to be an insurance provider, but she could not get a job because prospective employers checked her credit as part of the hiring process.
- The initial steps announced by the Biden administration and CFPB around reining in medical credit cards and removing medical debt from credit scores are an important first step.
- We also hope that the CFPB will act quickly on a rule prohibiting predatory credit cards in all health care settings.
- And that the administration will additionally scrutinize the actions of non-profit hospitals to ensure they're providing charity care to the community they serve and protecting people from going into debt in the first place.
- Thank you.