

Consumer Advocates Applaud Biden Administration's New Actions to Lessen the Burden of Medical Debt

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WASHINGTON - In response to the Vice President Harris' **announcement** today that the White House will be taking measures to increase consumer protections and lessen the burden of medical debt, advocates at the National Consumer Law Center issued the following statements:

"We appreciate the White House's efforts to improve protections for consumers facing medical debt, especially directing the Department of Health and Human Services to examine whether healthcare providers are providing adequate financial assistance for economically struggling uninsured or underinsured consumers," **said Jenifer Bosco, staff attorney at the National Consumer Law Center.** "We have seen too many patients face lawsuits and debt collection from nonprofit hospitals when they should have received hospital financial assistance instead."

"Last month, the Big Three credit bureaus (Equifax, Experian and TransUnion) announced changes that would eliminate up to 70% of medical debt from credit reports," **said Chi Chi Wu, staff attorney at the National Consumer Law Center.** "We're glad to see that the White House and Consumer Financial Protection Bureau will focus on the remaining 30%. Credit reports are used not just for credit, but housing, employment, insurance and more. No one should have trouble renting an apartment, purchasing a home, or getting a job over medical debt."

"Medical debt is a racial justice issue," **said Berneta Haynes, staff attorney at the National Consumer Law Center.** "The 30% of medical debt that will remain on credit reports may be held by the consumers who are most vulnerable - patients who have suffered a catastrophic accident or illness that led to huge medical bills, or those who lack insurance or have meager coverage. Black and Latinè consumers are more likely to be uninsured and underinsured, and to carry significant medical debt, and Black people in particular are more likely to be contacted by debt collectors over medical debt."

"Medical debt is a large portion of all the accounts being collected by collection agencies," **said April Kuehnhoff, staff attorney at the National Consumer Law Center.** "The CFPB should require debt collectors to inform consumers about the availability of financial assistance, clarify that medical debt that the consumer reports should be covered by insurance must be treated as disputed, and bring enforcement actions against collectors engaging in abusive credit reporting practices."

"Administrative mazes and endless paperwork stop low-income veterans from obtaining the medical debt relief they are entitled to, so we appreciate the White House's announcement that the Veterans Administration will take steps to streamline the process by offering an online option to apply and setting a simple income threshold to qualify for relief. Administrative roadblocks are especially burdensome to low-income veterans, many of whom are trying to manage medical conditions that are consequences of their military service," **said Kyra Taylor, staff attorney at the National Consumer Law Center.** "American heroes should not have to weather wage garnishment, tax offset, and administrative offset simply because they could not navigate the paperwork."