

Sen. Matt Klein
Chair, Senate Commerce and Consumer Protection Committee
95 University Ave. W.
Minnesota Senate Bldg., Room 2105
St. Paul, MN 55155

Sen. Gary Dahms
Ranking Member, Senate Commerce and Consumer Protection Committee
95 University Ave. W.
Minnesota Senate Bldg., Room 2219
St. Paul, MN 55155

March 12, 2024

Enclosed please find our original and supplemental letters in support of the proposed Minnesota Debt Fairness Act. Please be in touch if you have questions or if Cancer Legal Care can help in any other way. Thank you for your consideration, efforts, and leadership on this very important legislation.

Regards,

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Cancer Legal Care

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Cancer Legal Care Official Statement on Proposed Minnesota Debt Fairness Act (HF 4100/SF4065)

Cancer Legal Care (CLC) is a 501(c)(3) legal services organization whose mission is to engage the law to resolve the complex challenges facing people and communities affected by cancer. We do this by providing free legal care services to the Minnesota cancer community, from diagnosis to treatment to survivorship. We advise on matters of employment, insurance, disability, financial issues, housing, and estate planning. Our programs are open to all Minnesotans affected by any cancer, residing anywhere in the state, with 75 percent of our clients each year living in the Twin Cities metro area, and 25 percent living in Greater Minnesota. Since 2007, CLC's programs have provided over \$20.1 million in free legal care to over 13,000 Minnesotans affected by cancer.

Cancer brings with it financial toxicity, defined as “the detrimental effects of the excess financial strain caused by the diagnosis of cancer on the well-being of patients, their families, and society.”¹ Financial toxicity is reflected in very startling statistics:

1. 42 percent of newly-diagnosed people over 50 will lose their life savings within two years of diagnosis.²
2. Cancer patients are, on average, 2.5 times more likely to file bankruptcy than those without cancer. Furthermore, cancer survivors who file for bankruptcy are 80 percent more likely to die than cancer patients who do not.³
3. 62 percent of personal bankruptcies filed are due in part to significant medical debt. Yet, of these bankruptcy filers, 78 percent had health insurance.⁴
4. 79 percent of oncology care providers are concerned with their cancer patients refusing treatment because of financial worries, and 49 percent have had a cancer patient refuse treatment because of a financial concern.⁵
5. From 2003-2006, more than two million cancer survivors in the United States did not get one or more needed medical service because of financial concerns.⁶

Our clients' lived experiences reflect these very disturbing trends. The following are some examples.

A client, whose spouse was the family's main income earner and passed away from cancer, was left with over \$50,000 in cancer treatment bills after a series of health insurance denials for their spouse's treatment. They told us that having to pay those bills would “wipe me out” financially, leaving them without means to afford a home and daily living expenses for their three small children. Relatedly, clients have come to us

¹ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7152810/>

² [https://www.amjmed.com/article/S0002-9343\(18\)30509-6/fulltext](https://www.amjmed.com/article/S0002-9343(18)30509-6/fulltext)

³ Mapes D. Cancer bankruptcy and death: study finds link. Fred Hutch News Service. January 25, 2016

⁴ Himmelstein DU, Thorne D, Warren E, et al. Medical Bankruptcy in the United States, 2007: Results of a National Study. *The American Journal of Medicine*. 2009;122:741-746

⁵ Highlights from the 2018 Trending Now in Cancer Care Survey. Association of Community Cancer Centers, Oncology Roundtable

⁶ Weaver KE, Rowland JH, Bellizzi KM, Aziz NM. Forgoing medical care because of cost: assessing disparities in healthcare access among cancer survivors living in the United States. *Cancer*. 2010 Jul 15;116(14):3493-504. doi: 10.1002/cncr.25209. PMID: 20549763; PMCID: PMC3018838

with questions about divorcing in order to avoid burdening their spouses with their medical debt arising from their cancer care. One recent client even phrased it as “a medical divorce.” At a time in our clients’ lives when support and family structure is as important as ever, no one should ever have to contemplate legal dissolution of their marital union in order to protect their spouse’s financial viability. **Repealing the statutory liability for one’s spouse’s medical debt would prevent these situations and protect family structures.**

A client was billed directly for lab services after their healthcare provider incorrectly omitted a billing code modifier in its claim to their insurance, causing a coverage denial. Although the bill was relatively small, being on a strict fixed and limited monthly income, this client had no way to pay the bill without foregoing other imperative needs such as rent, food, or the continuation of their cancer treatment. Minnesotans deserve better than to face these choices. **A prohibition against charging patients fees for coding errors would have prevented this situation.**

Another client required a specialized scan in order to determine the exact nature of their rare cancer and the most appropriate treatment plan, but the scan was denied by their insurance for unclear reasons. Although this client qualified for the healthcare provider’s financial assistance program, because the insurance company refused to cover the scan, the healthcare provider refused to provide the scan without first receiving an up-front down payment from the client of at least \$8,000. The impossibility of this payment left our client without means to receive the necessary scan unless and until Cancer Legal Care was able to make a successful argument to the provider’s legal department regarding an exception clause in the financial assistance policy. Minnesotans should be able to access necessary care without having to overcome the hurdle of an impossible-to-pay bill. **Banning the withholding of medical services due to unpaid debt could have prevented this situation and allowed this patient to proceed with their care in a timely fashion.**

The Minnesota Debt Fairness Act has the power to make a real and significant positive impact on the lives of Minnesota cancer patients who uniformly face an uphill battle in preserving their lives- both medically and financially.

On behalf of our clients, Cancer Legal Care wholeheartedly supports the Minnesota Debt Fairness Act and urges the committee to vote in approval.

Cancer Legal Care Supplemental Statement¹ on Proposed Minnesota Debt Fairness Act (HF 4100/SF4065)

At the March 4, 2024 hearing before the House Commerce Finance and Policy Committee, Attorney General Ellison expressed that medical debt is not like other consumer debt. The purpose of this statement is to add context and commentary to Attorney General Ellison's statement. **Medical debt is unlike other consumer debt not just because a person does not choose to get sick, but also because medical debt is uniquely fraught with complicated issues** far beyond the reasonable knowledge and skills of average consumers such as billing errors, complex billing processes and coding schemes, improper health insurance denials, health insurance bureaucracy navigation, and inconsistent and (and oftentimes, confidential) provider-insurance network contract terms and implications.

Since 2019, Cancer Legal Care has provided health insurance appeal and provider billing dispute services to our clients under our ICARE program (Insurance Claim Advocacy and REsolution). In this role, we have gathered monetary figures regarding our client's medical debt, and in particular, medical debt which never rightfully should have been assigned to our clients to pay.

Of particular relevance to the proposed Minnesota Debt Fairness Act, we document the amount of charges that our clients have incurred after receiving a medical service or treatment ("post-treatment charges"). This is important because these post-treatment charges have been, or will be, actually billed to our clients as their responsibility to pay (as opposed to charges for services which are denied in a pre-treatment phase, which are not billed to our clients because the service has not and/or will not be provided).

Of these post-treatment charges, from 2019 through January of 2024 Cancer Legal Care's ICARE program has recovered and/or protected 37 clients from paying a total of **\$2,270,477.65** in charges stemming from improper health insurance denials and/or improper health insurance coverage issues, and 6 clients from a total of **\$40,609.57** in charges stemming from health care provider billing errors and other health care provider billing issues. The health insurance denial-related charges (\$2,270,477.65) ranged from \$200.00 to \$360,000.00 per client, averaging to \$61,364.26 per client. The health care provider billing error-related charges (\$40,609.57), ranged from \$231.00 to \$21,870.00 per client, averaging to \$6,768.26 per client.

As these figures and the complicated issues behind them illustrate, medical debt cannot reliably, incontrovertibly, or properly be assigned to a consumer as their rightful responsibility to pay. Furthermore, our clients and many other consumers bearing medical debt oftentimes do not have the resources, knowledge, physical or emotional capacity, or privilege of ample free time to dispute improper medical charges assigned to them. For these reasons and others, **Cancer Legal Care wholeheartedly supports the Minnesota Debt Fairness Act and urges the committee to vote in approval.**

¹ Cancer Legal Care has previously submitted an Official Statement to the Committee.