

March 14, 2024

The Honorable Matt Klein
Chair, Senate Commerce and Consumer Protection Committee
2105 Minnesota Senate Bldg.
St. Paul, MN 55155

The Honorable Gary Dahms
Ranking Member, Senate Commerce and Consumer Protection Committee
2219 Minnesota Senate Bldg.
St. Paul, MN 55155

Re: Support for Senate File 4065, The Minnesota Debt Fairness Act

Dear Senator Klein, Senator Dahms, and members of the committee:

Our organizations represent thousands of Minnesotans who know the toll that consumer debt, including medical debt, can take on families' livelihoods, stability, and health. We thank Senator Boldon for introducing SF 4065, and we hope your committee will support it.

Patients face significant costs when seeing a doctor or going to the ER. These costs can cause financial hardship and stress for patients and their families, even those with health insurance. Medical debt disproportionately affects lower-income households, Black and Hispanic households, and rural households, and people who are in poor health.¹

According to a January 2021 survey report, 51% of Minnesotans have experienced at least one healthcare affordability burden. 58% of Minnesotans earning less than \$50,000 a year faced affordability challenges, as did 33% of those earning more than \$100,000 per year. 76% are worried about affording healthcare in the future.²

Patients are much more likely to delay or avoid medical care when facing debt. Others reported becoming depressed or anxious because of their debt. Medical debt is often cited as the primary reason for families who file bankruptcy. Many feel they will never be able to pay off their debt.³

Minnesotans should not feel trapped by their medical debt. SF 4065 will help. It will ban the withholding of medical care due to unpaid debt, reduce medical debt interest rates, keep medical debt off credit scores, protect spouses from liability for a partner's medical debt, and shield tax refunds from revenue recapture, among other valuable consumer protection measures.

¹ S. Rakshit, et al. Peterson-KFF Health System Tracker. "The Burden of medical debt in the United States." February 12, 2024. <https://www.healthsystemtracker.org/brief/the-burden-of-medical-debt-in-the-united-states/>

² Healthcare Value Hub. "Minnesota Residents Struggle to Afford High Healthcare Costs; COVID Fears Add to Support for a Range of Government Solutions Across Party Lines." January 2021. <https://www.healthcarevaluehub.org/advocate-resources/publications/minnesota-residents-struggle-afford-high-healthcare-costs-covid-fears-add-support-range-government-solutions-across-party-lines>

³ Ibid.

Nationally, people agree that these policies are needed. An October 2023 poll commissioned by the American Cancer Society Cancer Action Network, The Leukemia & Lymphoma Society, and RIP Medical Debt found that over 90% of US adults agreed that elected officials should pass policies that protect people with serious illnesses from medical debt and harassment from collection agencies.⁴

The opportunity SF 4065 provides you to make our medical, economic, and legal systems work more fairly for Minnesotans is tremendous, and we urge you to take it. We would also urge you to look at steps other states have taken, such as prohibiting wage garnishment by medical debt collectors, as they have done in New York, North Carolina, Pennsylvania, and Texas.

Please contact Dana Bacon, Senior Director, State Government Affairs at The Leukemia & Lymphoma Society, at dana.bacon@lls.org or 612.308.0479 if you have any questions or comments on this letter.

Sincerely,

ALS Association
American Cancer Society Cancer Action Network
The Arc Minnesota
Cancer Legal Care
The Leukemia & Lymphoma Society
Minnesota Association of Community Health Centers
Minnesota Budget Project
Minnesota Nurses Association
National Kidney Foundation
National Multiple Sclerosis Society

⁴ The American Cancer Society Cancer Action Network, The Leukemia & Lymphoma Society, and RIP Medical Debt. "Nearly 1 in 2 Patients with Medical Debt Feel "Trapped", New Poll from Leading Healthcare Orgs Finds." October 30, 2023. <https://www.lls.org/news/nearly-1-2-patients-medical-debt-feel-trapped-new-poll-leading-healthcare-orgs-finds>