

Think about watching a loved one rushed to the hospital in an ambulance. Or learning you have a chronic disease that's going to require years of care and monitoring. These kinds of medical ordeals are some of the scariest moments in a family's life.

They can happen at any time, to anyone, without warning. Suddenly you're coordinating doctor's visits and calls with insurance companies. You're nervously checking your savings account. You're spending hours on interminable phone calls trying to get answers.

And you're dealing with it all while worrying whether your husband or your mother or your child will make it out of the hospital, or whether their health problems will continue.

As the cost of prescription drugs rise, hospital bills skyrocket, and debt collectors start calling, families are forced to figure out how to make ends meet, instead of focusing on their health.

Families all over the country are telling us that.

We heard from Penelope Wingard, an after-school teacher from North Carolina, who lost her health coverage while battling breast cancer. When her medical bills began to pile up, her doctors eventually stopped seeing her.

Soon after, Ms. Wingard had an aneurysm, in addition to vision loss, both of which required surgery. Because of the financial situation caused by her cancer diagnosis, Ms. Wingard was forced to wait and seek care from a limited list of providers who allow sliding scale payments.

Debt collectors call her – harass her – every single day. And now her credit is ruined because of her health.

Right now, Ms. Wingard needs additional testing to ensure her cancer has not returned, which has added an additional \$2,000 to her debt. Instead of focusing on battling her illness, she has to figure out how to battle the debt collectors.

And Ms. Wingard is far from alone.

In the United States, an estimated 43 million Americans hold \$88 billion dollars of medical debt on their credit reports, and this problem is growing. It can happen to anyone. Low income families, Black and Hispanic households, veterans, young adults, and older Americans are hit particularly hard.

And debt collectors make this already exhausting experience worse.

They call over and over, they make threats, they even contact patients' employers.

Take for example, Mindy Hedges, from Delaware County, Ohio. She has had type 1 diabetes since she was five years old.

For most of her adult life, until the passage of the Affordable Care Act, she was unable to get health insurance because she had a pre-existing condition.

After losing her business in the 2008 recession, her medical bills began piling up, and she was unable to re-pay them. That's when the debt collectors started calling. And calling. And calling. And calling.

Ms. Hedges did her best – she tried to negotiate, she even begged for relief. But the harassment continued. At one point, she was even afraid to leave her house.

That harassment is part of the business model.

A counsel at a medical debt collection agency owned by a private equity firm had some choice words about harassing patients – they said they found the first 20 to 30 calls to be, quote, “highly effective.”

If the calls don't work, debt collectors often move on to even more aggressive tactics like litigation – forcing people to go through lengthy, expensive, and emotionally draining court proceedings, often while still battling cancer or grieving a loved one.

For patients, litigation can result in garnished wages or property liens. We even see people thrown in jail because they couldn't afford to pay. It's the return of debtor's jail. People in the United States of America today are in jail, right now, because of medical debt.

And of course, wherever we find suffering, Wall Street finds an opportunity.

Private equity firms are making inroads in the medical debt collection market. Between 2015 and 2016, one-third of all debt collection agency acquisitions were bought by private equity.

These firms exist purely to maximize investor profit, no matter the cost.

Maybe that's why private equity-owned debt collection agencies are responsible for an outsized number of consumer complaints—many concerning attempts to collect debt from people who do not owe them.

We must address the growing crisis of medical debt burdening American families.

President Biden and his administration are working to remove barriers to medical debt forgiveness for veterans, and to make it easier and cheaper for them to get care.

No one who served this country should be saddled with debt for illness or injuries incurred in the line of duty.

And the Biden Administration has wasted no time in implementing the No Surprises Act, which took effect on January 1<sup>st</sup>.

This bipartisan law finally bans surprise medical bills. One way to prevent debt collector harassment is to protect people from debt in the first place.

The Consumer Financial Protection Bureau is also doing important work exposing the abuses Americans face while just trying to get healthcare.

And after increasing scrutiny and pressure, the three credit reporting bureaus—Equifax, Experian, and TransUnion—all announced they would significantly change how medical collection debt is reported. These changes are expected to remove nearly 70% of medical debt in collections from credit reports. This is a positive first step.

And this first step by the credit reporting bureaus gets to a basic fact that we too often ignore: medical debt does not correlate with credit risk, it correlates with illness.

It should be obvious – anyone can get sick. Anyone can get in a car accident. It has nothing to do with your ability to pay your bills – or it shouldn't.

No one should be forced into poverty or harassed by shady debt collectors because of a medical emergency, or a sick family member.

We've taken important steps to protect Americans. But can we do more.

I'm asking the CFPB to create an ombudsman position for consumer medical debt.

It's also why expanding Medicaid coverage to those who live in the 12 states that have refused to expand Medicaid under the Affordable Care Act is long overdue. I'm appreciative of two members of this committee, Sen. Warnock and Sen. Ossoff, who are working to finally get this done.

Of course, meeting these challenges cannot be done by the government alone.

Private industry must act. This country needs private institutions to meet their obligations of financial assistance and the No Surprise Act.

Today we're hearing from two advocates for consumers, as well as one of my constituents, Robyn King, from Cleveland. Ms. King will tell her story of battling medical debt she never owed, after a nursing home cared for her mother.

I look forward to hearing more about how we can protect Americans from medical debt and debt collector harassment. No one should have their financial future ruined because they get sick.