



April, 2023

**Memorandum in Support
of
The Ounce of Prevention Act (S1366/A6027)
and
The Fair Medical Debt Reporting Act (S4907/A6275)**

Our organizations routinely hear patients' horror stories about medical debt and billing chaos. A 2019 poll found that 16 percent of New York adults surveyed had to take out loans or racked up credit card debt to pay for medical care, 15 percent had used up all or most of their savings, and 12 percent had been put into collections. Six percent of all New Yorkers have past due medical debt ruining their credit, and in 29 counties this is true for over 10 percent of residents. More than 54,000 were sued between 2015 and 2020, including at least 4,000 during the height of the pandemic. People of color are disproportionately impacted by affordability burdens and their negative repercussions: 28% of African Americans and 22% of Latinx people carry medical debt versus 17% of White people.

Medical care is not a luxury, and it should never result in the financial devastation these patients experience. These two pieces of legislation will protect patients.

- **The Ounce of Prevention Act (S.1366/A.6027) will modernize hospital financial assistance.** Annually, New York's nonprofit hospitals receive \$1.1 billion in Indigent Care Pool (ICP) funds to support uncompensated care for low-income patients. However, these funds are often too difficult for patients to access. It is time to update this law with a common financial aid application and policy to be used by all 200 hospitals in New York State. Patients need simplified income rules so low-income and working people get fair discounts. We must eliminate obsolete rules like having an asset test only for very low-income people and provide patients more than just 90 days to apply.
- **The Fair Medical Debt Reporting Act (S.4907/S.6275) will stop medical debt from ending up on patients' credit reports.** After billing, providers or their collection entities often send unpaid accounts to third-party credit reporting agencies. These reporting agencies do not have access to provider and insurance records and make it difficult for patients to either confirm the accuracy of their debt or to make corrections if there is a billing reporting error. It also serves no purpose: The Consumer Financial Protection Bureau has found that medical debt reporting is not predictive of whether a person is a good credit risk. This bill would protect New Yorkers from medical debt by prohibiting the reporting of medical bills to credit reporting agencies.

For these reasons, we urge the legislature to pass, and the governor to sign both bills this year.



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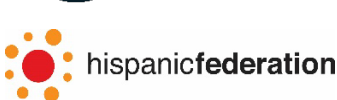
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Matters**
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**THE
LEGAL AID
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**Christ
Church**
RIVERDALE
Loving God. Loving our neighbors
Social Justice Ministry

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