



State of Rhode Island
Office of the General Treasurer

James A. Diossa
General Treasurer

3 April 2025

The Honorable Marvin Abney
Chair, House Committee on Finance

The Honorable Members of the House Committee on Finance

RE: *2025-H 5975 – Joint Resolution Making an Appropriation of \$1,000,000 for the Purchase, Cancellation and Forgiveness of Medical Debt*

Chair Abney:

I write in strong support of 2025-H 5975, a joint resolution requesting a \$1,000,000 appropriation for the “purchase, cancellation and forgiveness of medical debt.” R.I. Gen. Laws § 35-4-21.1. This legislation – introduced by Representative Shallcross Smith at my request – would continue to fund well-needed debt relief efforts through the Rhode Island Medical Debt Relief Program (the “Program”). Until existing funds are fully expended, this appropriation would be held in trust for the benefit of Rhode Islanders that have accumulated qualifying medical debts.¹

Unpaid medical bills pose a major impediment to financial security and can carry significant legal and psychological burdens that follow our families, our friends, or our neighbors for years. Through no fault of their own, an estimated 5.2% of Rhode Islanders struggle under the weight of medical debt according to data by the Kaiser Family Foundation. Unlike most other types of debt, medical debt is usually unexpected and can catch people without a financial plan. According to a report published by the Consumer Finance Protection Bureau, “[t]wo-thirds of medical debts are the result of a one-time or short-term medical expense arising from an acute medical need.” The

¹ Pursuant to state law, Rhode Island residents are eligible for relief if their medical debt amounts to 5% or more of their estimated annual income, *or* if their estimated annual income is below 400% of the federal poverty line. *See* R.I. Gen. Laws § 35-4-21.1. Treasury and Undue will only abolish any medical debt deemed “medically necessary” on treatment files obtained from the provider. As such, “medical necessity” is determined by health care professionals, rather than as a matter of policy. Qualifying medical debt must also be in collections. This means it must be at least several years old but will vary depending on billing practices adopted by different healthcare providers. New medical debt, therefore, is less likely to be covered under the Program. However, there is no upper limit on the age of qualifying debts.

same report found that veterans, older adults, those with disabilities, and minority populations are disproportionately impacted by medical debt relative to national averages. The same holds true in Rhode Island.

In October, Treasury finalized a partnership with Undue Medical Debt (“Undue”) – a nationally recognized non-profit – as third-party administrator for the Program.² To date, Undue has abolished nearly \$15 billion in medical debt across the country.

Here in Rhode Island, Treasury has forgiven over \$7,000,000 worth of medical debt impacting nearly 3,000 Rhode Islanders for just \$50,000 since Program launch. This is an incredible return on investment that will ensure individuals forced to assume debt for necessary medical treatment are not haunted for the rest of their lives. It will also benefit the health care system, since Rhode Island institutions are the primary beneficiaries of purchases made directly from the provider.

But as we work to eliminate current and outstanding medical debt, Rhode Islanders continue to accumulate new debt every single day. Even if the state’s initial investment could wipe the slate clean, there will be more need. As the State works to implement measures addressing the root causes of medical debt, this allocation will help Treasury ensure that the unjust burden of medical debt is relegated to the past.

If you have any further questions, please do not hesitate to reach out to me directly or to my Director of Policy and Intergovernmental Affairs, Robert Craven, at Robert.CravenJr@treasury.ri.gov.

Respectfully,



James A. Diossa
General Treasurer

cc: The Honorable Mary Ann Shallcross Smith

² Currently, at least four other states and eight large municipalities – such as Washington, DC and New York, New York – have engaged Undue for similar services.