



March 5, 2023

Honorable Representative Robert E. Craven, Sr.
Chair, House Judiciary Committee
Rhode Island State House
82 Smith Street
Providence, RI 02903

RE: Support for H. 7103 AN ACT RELATING TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS -- DECEPTIVE TRADE PRACTICES

Dear Chair Craven, Vice Chair McEntee and Honorable Committee Members:

Please accept this testimony in my capacity as President/CEO of RI Society of CPAs/RI Business Forum, and me personally. I would like to offer my strong support for the proposed legislation, H.7103 "AN ACT RELATING TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS -- DECEPTIVE TRADE PRACTICES," which makes significant and necessary changes to how medical debt is handled in our legal system. This legislation seeks to prohibit credit reporting, executions, and attachments against a principal residence for judgments based on medical debt, and importantly, it defines medical debt and caps judgment interest at 3%.

Medical debt is the number one cause of personal bankruptcies in the US, with \$88 billion of medical debt in collections. H.7103 provides reasonable relief from some of the most egregious debt collection practices – including a prohibition on placing liens against a patient’s home or garnishing a patient’s wages. More importantly, this legislation prohibits medical debt from being reported to credit bureaus. Negatively impacting a person’s credit score can harm the financial well-being of a person or family – and in 2024 we are long past the point of addressing this.

I am testifying before you today for two reasons – the first is the CPA profession seeks to employ moral and ethical individuals with sound credit histories; we are proud to stand up what is behind obtaining a CPA license credential. Individuals who have experienced medical challenges are not only welcome in our history, we are making great progress to support and accommodate any and all of these health challenges. One of the impediments to a thriving career and sold future should never include a credit history (or score) negatively impacted by a health challenge.

The second (and most important) reason is because of what I have gone through personally. I worked at HealthSource RI, the state health exchange, from its inception in 2013 and proud to say we had the most successful SHOP program in the United States. Throughout my six year tenure, I worked closely with OHIC (Office of Health Insurance Commissioner), insurance carriers , actuaries, stakeholders and hospital groups and of course brokers. I am a licensed health producer – and maintain an active Rhode Island license. Yet, when I was forced to navigate the healthcare system for two elderly parents with chronic medical conditions and a younger brother who passed after a horrific battle with cancer; I learned the reality many of us will face in our lifetime. As much as I knew, the reality of the system was eye opening – even for a seasoned pro like me. At the end of 2022, I was diagnosed with cancer and I am extremely fortunate and blessed to say I am one of the lucky ones – and honored to sit before you today. I have also personally incurred medical debt – and learned firsthand how much is not covered – it has been eye opening to say the least.

Therefore, although I would like to see no interest charged on medical debt, the proposed limit of 3% is reasonable and has been enacted in other states. The burden of medical debt in our country has reached a critical point; unfortunately I am one of the millions of Americans who find themselves in financial distress through no fault of their own. I have the best insurance money can buy – proof that anyone can incur significant debt when unexpected illness or injury occurs. I support this provision because it acknowledges that while debt may be owed, the repayment should not become a punitive measure that further endangers the financial well-being of individuals and families.

Enactment of this legislation represents a significant step forward in our approach to healthcare and financial stability. It also sends a signal that we favor a more humane and equitable system, where individuals are not punished for circumstances beyond their control. Medical debt should not be a life sentence that can lead to the loss of one's home or a perpetual cycle of poverty.

I urge the committee - and the General Assembly as a whole - to support and pass this essential legislation. By doing so, we can provide much-needed relief and protection to countless individuals and families across our state, ensuring that the pursuit of health does not lead to financial ruin. Thank you for considering my testimony on this crucial matter –it is the right thing to do from both a business (economic) and individual perspective.

Sincerely,

Melissa Travis

Melissa Travis
President/CEO
RI Society of CPAs/RI Business Forum