

## Testimony in Support of H 5184 - Medical Debt

Senate Committee on Commerce

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**The Economic Progress Institute strongly supports Rep. Shallcross Smith's H 5184,** which would prohibit credit reporting, executions, and attachments against a principal residence for judgments based on medical debt. This bill will reduce foreclosures and personal bankruptcies, while making healthcare more accessible and equitable in RI – all without having to spend state funds.

All Rhode Islanders deserve to get the healthcare they need without facing financial ruin or the loss of their home. According to the CFPB, medical debt is the number one cause of personal bankruptcies in the US, with \$88 billion of medical debt currently in collections. The bills above would not only protect all Rhode Islanders, they would also improve equity and reduce racial disparities by providing relief to Black and Latino families who are more likely to have medical debt than their White counterparts. Medical debt can also cause people to forgo or delay treatment – which can lead to worse outcomes and more expensive treatment. Furthermore, Congress is proposing hundreds of billions of dollars in cuts to Medicaid (which provides health insurance for about one third of Rhode Islanders), which would shift the financial burden to our state; if the state cannot come up with the revenue to replace federal Medicaid funds, hundreds of thousands of Rhode Islanders could lose health coverage and become newly susceptible to medical debt.

At a time when too many Rhode Islanders are struggling to meet their basic needs and our homeless population has doubled since 2019, we need bills like this to protect Rhode Island families and their homes. We urge passage.