

Sponsor Testimony on the Ohio Medical Debt Fairness Act

Representative Michele Grim before the Ohio House Health Committee

Chair Schmidt, Vice Chair Deeter, Ranking Member Somani, and members of the Health Committee, thank you for the opportunity to provide sponsor testimony on the Ohio Medical Debt Fairness Act. I am proud to stand with Representative Schmidt in presenting this bipartisan legislation that addresses a crisis affecting families in every corner of Ohio.

Medical debt can happen to anyone. No one chooses to get sick or injured. No one plans for a car accident, a cancer diagnosis, or an unexpected hospital stay. Yet for too many Ohioans, this is exactly how medical debt begins.

Across our state, families are being punished not for financial recklessness, but for needing healthcare. Even many people with health insurance end up with bills they simply can't afford to pay. The Kaiser Family Foundation finds that people with medical debt report cutting spending on basic necessities like food and clothing, depleting their savings, borrowing from family members, and taking on additional debt just to manage medical bills.

The Ohio Medical Debt Fairness Act offers three targeted, commonsense solutions to protect Ohio families – without creating new bureaucracy or imposing burdensome regulations on providers.

First, we cap interest rates on medical debt at 3% annually. Currently, when medical bills go to collections in Ohio, patients can face interest rates of 8%, 12%, or even higher. This creates a vicious cycle where a manageable debt becomes insurmountable. Our modest 3% cap ensures that medical debt doesn't grow faster than families can reasonably address it, while still allowing providers to recover legitimate costs.

Second, we prohibit reporting medical debt to credit agencies. A medical emergency shouldn't destroy someone's credit score for seven years. Credit reports should reflect financial choices and patterns, not unavoidable health crises. When medical debt tanks credit scores, it prevents families from securing mortgages or car loans to get to work – and even cuts off employment opportunities. This provision removes an unfair barrier that keeps hardworking Ohioans from rebuilding their financial stability.

Third, we ban wage garnishment for medical debt. No Ohio worker should have their paycheck seized because they got sick. This protection ensures that working families can meet their basic needs while still addressing their obligations through reasonable payment arrangements.

These reforms are carefully crafted to be fair to both patients and providers. We're creating reasonable parameters that prevent medical emergencies from becoming financial disasters. Healthcare providers can still collect legitimate debts through established payment plans and collection processes, but within boundaries that don't destroy lives.

This approach has proven successful in other states. Multiple states have implemented similar bipartisan reforms, demonstrating that we can protect patients while maintaining a viable healthcare system. Ohio should lead, not lag, in implementing these sensible protections.

The Ohio Medical Debt Fairness Act is genuinely bipartisan because medical debt affects constituents in every district represented in this room. Representative Schmidt and I have worked together to craft legislation that addresses a real problem with practical solutions. Our bill doesn't disrupt the healthcare market or create new bureaucracies. It simply establishes fair ground rules that prevent medical necessities from becoming financial catastrophes.

All our constituents deserve better than a system that forces them to choose between their health and their financial stability. Ohioans deserve the peace of mind that comes from knowing that seeking medical care won't jeopardize their ability to provide for their families.

I urge this committee to move the Ohio Medical Debt Fairness Act forward expeditiously. We have the opportunity to work together to deliver meaningful relief while preserving the healthcare system that serves our communities.

Chair Schmidt, Vice Chair Deeter, Ranking Member Somani, and members of the Health Committee, thank you for your time and consideration. I'm happy to answer any questions.