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**Ohio Poverty Law Center Written Proponent Testimony  
Ohio House Health Committee  
Wednesday, June 4, 2025**

Chair Schmidt, Vice Chair Brenner, Ranking Member Somani, and members of the Ohio House Health Committee, my name is Danielle DeLeon Spires, and I am a policy advocate at the Ohio Poverty Law Center. The Ohio Poverty Law Center advocates for evidence-based policies that protect and expand the rights of low-income Ohioans. We are a non-profit working closely with Ohio's legal aid community, serving Ohioans who are living, working, and raising their families in poverty. Thank you for the opportunity to provide written testimony regarding House Bill 257.

House Bill 257, or "the Ohio Medical Debt Fairness Act", would cap interest rates at 3 percent; prohibit wage garnishment and prevent reporting to credit agencies. This bill takes crucial steps in providing much-needed consumer protection from medical debt collection practices.

More than one hundred million Americans—41% of adults—have medical or dental debt. This type of debt takes many forms for consumers, including, but not limited to:

- Past due payments
- Ongoing payment plans
- Money owed to banks or collections that have been assigned or sold the medical debt
- Credit card debt from medical bills
- Money borrowed from family or friends to pay for medical bills

Most adults with health care debt have bills from a one-time or short-term medical expense, which often occurs in an emergency or other unexpected situation. A third of those individuals with debt expect to pay off within a year and a quarter say one to two years, nearly one in five say that they may never be able to pay off the debt.<sup>1</sup>

The fear of incurring medical debt also deters many Americans from seeking medical care. Approximately 60% of adults who have medical debt say they have had to cut back on necessities like food or clothing, and more than half the adults from low-income households (less than \$40,000) report that they have used up their savings to pay for their medical debt.

Ohio's population is rapidly aging. According to the Ohio Housing Finance Agency FY 2024 Housing Needs Assessment,<sup>2</sup> the median age in Ohio was 40 years old in 2021. From 2001 to 2019, Ohioans aged 55 years and older grew steadily from 22% of the population to 31%, where the population remains two years later. Elderly adults report having medical debt from distinct needs than younger individuals, such as dental care or lab fees and doctor's appointments. This can have an immediate impact on quality of life and the ability to age at home.

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<sup>1</sup> [Health Care Debt In The U.S.: The Broad Consequences Of Medical And Dental Bills](#)

<sup>2</sup> [Housing Needs Assessment](#)

More than half of people in medical and dental debt owe less than \$2,500, however, over half of Americans cannot afford a \$1,000 emergency. One of the most important provisions of this bill is to protect an individual's wages. When an individual's wages are garnished toward debt, consumers cannot utilize their budget in a way to address high-cost needs, such as housing and child care.

Hospitals use credit reporting as the most common form of collection tactic. Many individuals find that their credit scores can be impacted to the point where they cannot access housing, limits job options, and must take on loans with higher interest rates. More than 90% of low-income Americans are unrepresented when they are sued in debt collections leading to wage garnishments and poor credit records.

The Consumer Financial Protection Bureau found that medical debt provides little predictive value to lenders about borrowers' ability to repay other debts. Consumers may face situations where they receive incorrect bills or may be in the process of having bills covered by insurance or financial assistance programs. This impact on an individual's credit score may prevent them from securing a car loan, renting an apartment, or purchasing a house, as well as having a detrimental outcome on credit and loan applications.

House Bill 257 would be the first step to addressing many medical debt collection practices that negatively impact Ohioans and would allow them the opportunity to build economic stability for their families.

Thank you for the opportunity to provide written proponent testimony on House Bill 257.

Sincerely,  
Danielle DeLeon Spires



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