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The Honorable Jean Schmidt, Chair  
Ohio House Health Committee  
Statehouse  
Columbus, Ohio 43215

Dear Chair Schmidt and members of the House Health Committee,

We have a healthcare problem in the United States, and Ohio is no exception. There are too many underinsured Americans, medical providers are overworked and underpaid, and individuals living in rural areas are being asked to travel hours to receive adequate medical care. The guardrails meant to protect the health and safety of Americans are failing. However, the way to fix this broken system is not to reduce the ability of medical facilities and physician groups to recoup money needed to provide medical services. For this reason, Ohio House Bill 257 fails to protect Ohioans and instead only erodes the current medical system.

As a preliminary matter, at the June 4, 2025, House Health Committee meeting, proponents of HB257 incorrectly described how the medical debt collection process works, minimizing the checks and balances currently in place to protect the rights of patients on both a state and federal level. All medical providers and third-party debt collectors, including Attorneys, are required to comply with the No Surprises Act, The Affordable Care Act, the Fair Credit Reporting Act, and the Fair Debt Collection Practices Act. For instance, proponents of HB257 referred to medical credit reporting as negatively impacting a patient's credit score but failed to acknowledge that the Fair Credit Reporting Act already governs credit reporting and the removal of improper and outdated information. Specifically, under the Fair Credit Reporting Act, if a medical debt has been disputed or has been paid, medical providers must accurately report this to the three major Credit Reporting Agencies.

Additionally, proponents of HB257 acknowledge that the best way to handle medical debt is to reach an amicable resolution that satisfies both the patient and the medical provider. However,

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proponents fail to consider that the best way to reach such resolutions is by using the very tools this bill is attempting to ban, as it is these post judgment recovery efforts that most effectively prompt the parties to actually discuss payment plans or settlements.

The following briefly outlines the various levels of communication between a medical creditor and patient:

- 1) Internally, the medical facility or physicians' group will send an invoice to a patient and will make this invoice accessible on a patient portal.
- 2) If the patient has insurance, the patient receives an Explanation of Benefits, which outlines the patient's responsibility. (NOTE: with medical debt, the patient is unaware of premiums and deductibles that are associated with insurance. This is an educational issue on the part of insurance providers unfortunately).
- 3) Upon receiving an invoice or explanation of benefits, the medical providers have entire finance departments set up to work with patients.
- 4) If a patient has not contacted the medical provider, or has not made promised payments, then the debt is usually sent to a 3<sup>rd</sup> party debt collector. This debt collector must act in compliance with all Federal and State laws and will generally send out their own written correspondence and/or make calls to the patient.
- 5) If a patient has still not resolved a bill or has failed to make promised payments, the balance is sent to a law firm to proceed with litigation. However, prior to filing a complaint, the attorney must also comply with all State and Federal Debt Collection legislation, and sends out its own written Validation Notice, wherein the patient is given the opportunity to dispute the debt or set up payments/submit a settlement offer. An attorney may only proceed with litigation if a medical debt has not been resolved or has addressed any disputes in accordance with Regulation F and the Fair Debt Collection Practices Act.
- 6) Once litigation is filed, the attorney is required to comply with all state service requirements, giving the patient another chance to resolve an outstanding balance, and prior to securing a judgment, the patient receives at least two notices that litigation has been filed to collect on a medical balance owed.
- 7) Once a judgment has been reviewed by a Judge or Jury and granted, only then can a law firm attempt to recover on behalf of their creditor client.

We outline these steps to address several fallacies raised in HB257. Along each step outlined above, a patient has the opportunity to resolve a balance via a mutually amenable payment plan or settlement offer. Contrary to the proponents of HB257, the medical providers attempt to work with patients to reduce the balance or reach a payment plan exists at each step. However, it is the use of garnishments and credit reporting that most effectively motivates patients to fulfill either already negotiated payment plans or to start the process of negotiating a resolution. Furthermore, by reducing the ability of medical providers to report to the Credit Reporting Agencies or file wage garnishments, the only methods left for the recovery of medical bills would be unwanted calls, letters, and liens placed on real property (ultimately leading to an increase in foreclosures on medical debt). Accordingly, HB257 only eliminates the most effective ways to allow doctors and medical facilities to recoup their losses, while working with patients.

Finally, proponents of HB257 tout the success of other states' similar legislation. However, this is another misconception. In states where limits are placed on medical collections, there has already been an influx of retirements and shortages of doctors and staff, as well as the closure of medical facilities, especially in rural counties. At the June 4, 2025 hearing, the Ohio House Health Committee was asked to consider HB318. Proponents of that bill are asking to expand the use of anesthesiologist assistants, as there are an insufficient number of anesthesiologists at most medical facilities. Reducing the ability of medical providers to recover lost income will only lead to similar reductions in an already stressed workforce, and an already tenuous infrastructure could crater.

In conclusion, there are sufficient strains on our current medical system that threatens the lives and security of patients. Passing HB257, however, will not result in any meaningful improvement of the underlying system. Rather, it will reduce the opportunities for patients to reach amenable payment plans and settlements and will restrict the ability of medical facilities and professionals to be made whole. For these reasons, we strongly encourage the rejection of OH HB257.

Cordially yours,



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