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September 15, 2025

The Honorable Jean Schmidt, Chair  
Ohio House Health Committee Statehouse  
77 South High Street, 12th Floor  
Columbus, OH 43215

Chair Schmidt and Members of the Health Committee:

We write to you as constituents of Fulton County and the State of Ohio. We operate the law firm of Barber, Kaper, Stamm, McWatters, Whitlock & Maloney, in Wauseon, Ohio. Our firm serves as collections counsel for various hospitals and affiliated medical providers. We write to express strong opposition to House Bill 257, the Ohio Medical Debt Fairness Act. While well-intentioned, this legislation would have profoundly negative effects on Ohio's hospitals, physicians, and the patients they serve, particularly in rural communities like our own.

Medical debt is a widespread issue, but hospitals already work with their patients to manage obligations in good faith. National surveys indicate that nearly 40% of adults carry medical debt.<sup>1</sup> Within that group, approximately 35.7% have entered into payment plans with hospitals, while 21.7% have received discounted care.<sup>2</sup> These numbers demonstrate that providers already collaborate with patients and use flexible approaches to avoid excessive debt that would excessively patients. Indeed, these numbers are consistent with the conduct of our clients, who routinely work with patients to achieve fair resolutions, thus ensuring patients are treated compassionately and medical providers remain financially stable. Despite the many accommodations our clients provide as health care institutions, and the efforts we undertake as their collectors, there remains a small segment of debtors who simply refuse to pay for services rendered. In our experience, the only effective means of recovering from these individuals is through judicial wage garnishment — a remedy that would be entirely foreclosed by the proposed legislation.

The bill's cap of three percent interest on medical debt and prohibition on reporting to credit agencies would remove key tools that help hospitals and smaller practices secure repayment. Hospitals already shoulder enormous losses, writing off an estimated \$88 billion in bad debt nationally in 2020, with the median hospital absorbing approximately five percent of its gross patient revenue in uncollected bills.<sup>3</sup> As you know, these write-offs are passed onto insurance companies and patients who self-pay. Weakening enforcement options will only enlarge these losses, destabilizing facilities which already operate on narrow margins. The inevitable results are

<sup>1</sup> KFF Health Care Debt Survey, 2022, <https://www.kff.org/health-costs/kff-health-care-debt-survey/>.

<sup>2</sup> Urban Institute, March 2023, [https://www.urban.org/sites/default/files/2023-03/Most%20Adults%20with%20Past-Due%20Medical%20Debt%20Owe%20Money%20to%20Hospitals\\_0.pdf](https://www.urban.org/sites/default/files/2023-03/Most%20Adults%20with%20Past-Due%20Medical%20Debt%20Owe%20Money%20to%20Hospitals_0.pdf)

<sup>3</sup> Gitnux, Hospital Bad Debt Statistics, 2023, <https://gitnux.org/hospital-bad-debt-statistics/>

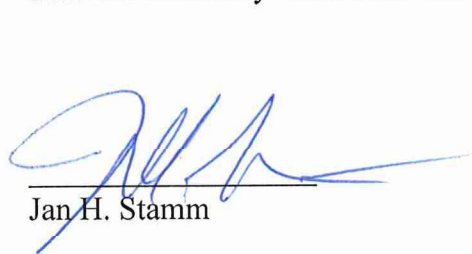
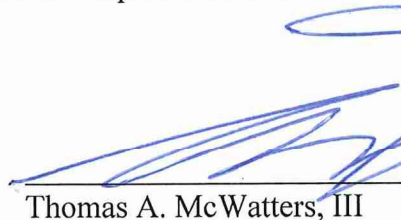
fewer staff, reduced specialty services, longer wait times, and possible closures, especially in rural and underserved communities like Wauseon. While we cannot speak for other debt-collectors, we avoid reporting medical debt to credit agencies so as to avoid potential mistaken identity and to work with our clients' patients.

Additional policy flaws compound the bill's problems. The Legislative Service Commission's fiscal note warns that public and government-owned hospitals could face revenue losses due to reduced recovery rates, alongside administrative costs to comply with the new requirements. This is particularly concerning given that many such facilities already operate with thin budgets. House Bill 257 also serves as an unfortunate "one-two punch" to rural hospitals based on its timing, as federal cuts to Medicaid and Medicare are causing some rural Ohio hospitals to close or reduce services due to lack of financial resources.<sup>4</sup> The Gitnux analysis also anticipates an increase in civil lawsuits brought by consumers against medical providers and collection agencies, creating additional burdens on the court system and public resources.

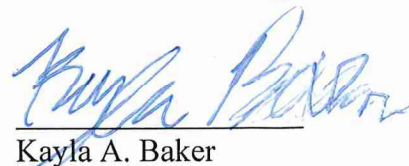
The bill is also underinclusive and ambiguous in key respects. A committee analysis has noted that the prohibition on credit reporting may not apply to some medical transport providers, such as air and road ambulance services, leaving gaps and inconsistencies in enforcement. Even more troubling, while the bill defines "medical debt," it does not define "health care services, products, or devices." This lack of clarity could lead to disputes over scope, increasing litigation and uncertainty for providers attempting in good faith to comply.

Taken together, these provisions would not only increase uncompensated care and litigation but would also make it harder for hospitals and physicians to maintain stable operations, while making health care more expensive for the rest of us. Ultimately, patients will be the ones to suffer through reduced access, higher costs, and diminished availability of services.

For these reasons, we urge the Committee to reject House Bill 257 in its entirety. The legislation creates more problems than it solves and risks serious harm to Ohio's health care infrastructure and the communities it supports. My clients and I are prepared to provide additional data and testimony should the Committee require further detail.

  
Jan H. Stamm  
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/s/ Stephen M. Maloney  
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<sup>4</sup> Spectrum 1 News, 2025, <https://spectrumnews1.com/oh/columbus/news/2025/07/17/obbb-rural-hospital-medicaid>