

Dear Member of the Indiana General Assembly,

We all want to live in a state in which Hoosiers can receive health care without being overwhelmed by the cost. Since 2021, Indiana House and Senate leadership have been working to reform the medical payment system in Indiana due to high prices. SB 276 is a vital part of that work as it prevents high medical costs, often resulting in medical debt, from harming Hoosiers' ability to meet their basic needs.

The unfortunate reality is that far too many Hoosiers struggle with medical bills and medical debt.

Consider:

- Nationwide, as many as 40 percent of adults are in debt because of medical or dental care (Kaiser Family Foundation, 2022).
- In Indiana, nearly one in five Hoosiers has medical debt in collections, totaling \$2.2 billion (Consumer Financial Protection Bureau, 2022; The Urban Institute, 2022).
- In counties all across Indiana, Hoosiers' credit scores are damaged by medical debt. See how many have debt in collections by county here: <https://apps.urban.org/features/debt-interactive-map/?type=medical&variable=medcoll&state=18>
- Among Midwestern states, Indiana has the highest share of its population with a medical debt in collections. It has the 11th highest share of its population with medical debt in collections nationwide.
- The percentage of Hoosiers with medical debt in collections underestimates the total number who struggle, as Hoosiers who are making payments or who paid medical bills with credit cards do not have medical debt that shows up on credit reports.

The consequences of medical debt affect us all:

- Medical debt reduces consumer spending, leading to skipped housing payments, food insufficiencies, and delayed or diminished consumer purchases.
- Overdue medical debt reported to credit bureaus damages credit scores, making it harder to access future credit, insurance, rentals, and jobs.
- Medical debt harms physical and mental health; Hoosiers delay seeking needed care for fear of adding more debt and experience increased stress and mental health challenges due to medical bills (Indiana Community Action Poverty Institute, 2022).

It is essential for Indiana to join the many states that are taking action to reduce the impact of medical debt on families' abilities to meet their basic needs.

SB 276 takes four important steps in this direction. It:

1. Protects Hoosiers' wages, homes, vehicles, and credit scores while they are paying off medical bills
2. Limits the interest rate charged on outstanding medical debt
3. Prevents collection actions while insurance determinations are being appealed
4. Ensures that Hoosiers who may qualify for charity care are informed of these options

We urge you to demonstrate your support for SB 276 by signing on as a coauthor or agreeing to be a cosponsor.

Sincerely,

Organizations

The Leukemia & Lymphoma Society
The American Cancer Society Action Network
Indiana Community Action Poverty Institute
Covering Kids & Families of Indiana
Citizens Action Coalition of Indiana
Indiana Community Action Association, Inc.
Fair Housing Center of Central Indiana
Indiana Justice Project
Lafayette Urban Ministry
League of Women Voters of Muncie-Delaware County
Hoosier Uplands EDC
Ohio Valley Opportunities, Inc.
Area Five Agency on Aging and Community Services, Inc.
Interlocal Community Action Program, Inc.
Community Action Program, Inc. of Western Indiana
REAL Services
Indiana Association of Area Agencies on Aging
Western Indiana Community Action Agency, Inc.
Northwest Indiana Community Action
Brightpoint
Indiana United Ways
League of Women Voters of Indiana
Feeding Indiana's Hungry
Second Harvest Food Bank of East Central Indiana
Prosperity Indiana
Food Finders Food Bank
Thrive Alliance
Dare to Care Food Bank
I am Health Education
Greater Indianapolis Multifaith Alliance (GIMA)
Southeastern Indiana Economic Opportunity Corporation (SIEOC)
National Association of Social Workers - Indiana Chapter
Indiana Coalition Against Domestic Violence