



INDIANA
COMMUNITY ACTION
POVERTY INSTITUTE



Blood Cancer
United

Dear Members of the Public Health Committee,

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 reduce health care costs in Indiana. **Senate Bill 85 and Senate Bill 197** are vital to this work because they prevent high medical costs, which often result in medical debt, from harming Hoosiers' ability to meet their basic needs.

Across the state, Hoosiers are facing tough choices between their health and finances. Sonya Paul from Muncie was diagnosed with breast cancer, after which she and her husband lost their home, and both filed for bankruptcy after exhausting their retirement savings on medical bills. *"I think what is also hard is you realize you've had this American Dream, and it just gets snatched away from you so quickly. You are in poverty before you even realize it's coming."*

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

- Polling has found that about 41% of the public currently has medical debt.
- As a state with higher-than-typical health care costs, Indiana had the 11th highest share of its population with medical debt in collections.
- Voters across the political spectrum agree that healthcare is not affordable.
- Three-quarters of voters (76%) say they want their state to pass laws that would protect people from medical debt.
- Medical debt affects both the insured and uninsured: a recent analysis of patient financial transactions found that 53% of total bad debt write-offs in 2023 stemmed from patients with some form of insurance.
- A 2025 Kaiser Family Foundation survey found three-quarters of uninsured adults skipped or postponed seeking needed healthcare due to cost. The survey found nearly forty percent of insured adults also avoided needed care due to cost.

Patients already must deal with managing a disease, an accident, an injury - that's stressful enough. They shouldn't have to worry about being the target of predatory debt

collection practices. The only thing they should be focused on is managing their condition.

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.
- 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.

We urge the legislature to adopt legislation that:

1. Protects a reasonable amount of Hoosiers' wages and earnings in a bank account while they are paying off medical bills
2. Requires hospitals to offer affordable payment plans
3. Ensures hospitals develop and implement clear notification processes as to how a person can apply for charity care
4. Allows Hoosiers to challenge insurance denials without fear of being sent to collections
5. Prevents a person's home from becoming a collection mechanism for medical debt

Indiana should be a place where the American Dream thrives and where legislative action reflects this goal. While more and more Hoosiers have struggled to afford basic needs amidst the cost-of-living crisis, healthcare continues to be a sticking point that families struggle to afford. Now more than ever, we need the legislature to stand by Hoosiers struggling with medical debt and make impactful changes to support Hoosier families. **Please take action THIS SESSION to move these priority measures forward.**

Organizations:

- American Cancer Society Cancer Action Network (ACS CAN)
- Hoosier Action
- Brightpoint
- AARP Indiana
- Blood Cancer United
- Indiana Community Action Poverty Institute

- Community Action of Southern Indiana
- Lafayette Urban Ministry
- MADVoters
- Feeding Indiana's Hungry
- Indiana Community Action Association
- REAL Services, Inc.
- Indiana Oncology Society (IOS)
- Indy Hunger Network
- Prosperity Indiana
- CoAction
- American Lung Association
- Greater Indianapolis Multifaith Alliance (GIMA)
- South Central Community Action Program
- Indiana Coalition against Domestic Violence
- Homestead Resources
- Fair Housing Center of Central Indiana
- Indiana Justice Project
- Area Five Agency
- Indiana United Ways
- Postpartum Support International -- Indiana Chapter
- TRI-CAP
- WDG Group
- United Way of Central Indiana

Individuals:

- Joyce Fleck, Dubois County: *I recently went in for my annual physical and labs. Preventative healthcare. Doctor prescribed a generic prescription medication for a new condition. Says it is pretty common at my age. Today, I learned my cost for the Rx: \$1,311.99 for a 3-month supply. I won't be filling that prescription. The pharmacy told me that my group health insurance plan will only pay for the name brand Rx. So we start the process again and see what happens. Preventative household financial care. Is it irresponsible to go into debt to purchase the Rx? Is it irresponsible not to?*
- Krista Neighbour, St. Joseph County
- Mark Lynch, Faith Leader from Metanoia: Church of Transformation, UCC in Marion County
- Sandra Palacios, Laporte County
- Joseph Spoljaric, Laporte County
- Cassandra Nigh, Cass County
- Charles Wagner, Miami County

- Kenneth Johnson, Warrick County
- Don Hossler, Monroe County
- Carl Seese, Carroll County
- Annette Bodo, Lake County: *If providers hospitals etc had upfront transparent pricing, that could help in addition to accurate coding when things get billed. One screw up on coding could be a nightmare, and, knowing costs of let's say an MRI or lab work up front could allow folks to compare what they need done at other facilities.*
- Aurielle Barnes, Lake County
- Beth Crum, Marion County
- Deborah Sherwood, Marshall County
- Linda Patton, Monroe County
- Cheryl Koch-Martinez, Hendricks County: *Medical debt should not be the reason Hoosiers cannot afford other essentials, or have a small emergency savings safe from collection, or lose part of their wages to wage garnishment. Hospitals and providers operating in hospitals must do their part in offering discounts to those in financial need. Please support common sense measures to support people.*
- Mary Cottrill, Monroe County
- Barbara Wellnitz, Marion County
- Pam Cline, Lake County
- Wendy Rodenbaugh, Marion County
- Hannah Lencheck, Monroe County
- Lucy Guerlac, Monroe County: *My daughter is currently on HIP. She moved here from California after she lost her business. Having additional medical problems makes it hard for them her to work steadily, but she does her best. She is just one of millions in this state who depend upon the unselfish policies and actions of its state legislators.*
- Kirsten Turchan, Hamilton County
- Joyce Hite, Lake County
- Angela Schumerth, Marion County
- Kaley Smith, Monroe County: *I am a health insurance navigator and see firsthand what affects medical debt has on the community. I have watched people be more willing to die, than to go into more debt at the hospital. People need to feel safe in going to the hospital and that it is not going to affect them for the rest of their lives with overhanging medical bills.*
- Denise Dillard, Lake County: *WDSGROUP works with families experiencing increased medical debt far out reaching their insurance coverage of funds saved. In many cases, the pension plus use of savings is an option. However, based on the medical diagnosis, the cost of medicine, treatment, and home health care*

exceed the individual's or family's capacity. To meet this along with cost of living necessities, it is resulting in medical debt crippling the person's budget.