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**COMMUNITY ACTION**  
**POVERTY INSTITUTE**  
Research and Public Policy

Testimony before the Health Care Cost Oversight Task Force

October 29, 2024

Thank you, Chairman Barrett and members of the committee, for the opportunity to speak.

I know you are here doing this work because you believe that the Hoosiers you serve should have the opportunities to live healthy, financially secure, and productive lives and I hope my brief testimony today lends further support to that effort.

The Indiana Community Action Poverty Institute works with Indiana's 22 Community Action Agencies to conduct community needs assessments related to barriers to financial well-being. In 2020, for the first time, we included a set of questions in our survey about debt. Among the 5,822 survey respondents (who were typically low-income Hoosiers) 47% reported that they had medical debt and nearly a third had medical debt IN COLLECTIONS. I feel these were the most striking results from that year's survey.

So, we decided to dig deeper and launched several research projects that have given us greater insight into Hoosiers' experiences with health care costs and access.

In 2022, we published a report that attempted to get a grasp on the available statistics and research studies related medical debt. We learned about negative impact of medical debt on:

- credit scores,
- ability to meet basic needs,

- decisions about whether or not to seek health care, and
- mental health.

We also learned that our state is an outlier: Indiana has the highest share of its population with a medical debt in collections compared to its neighbors, and we are eleventh in the nation for share of our population with a medical debt in collections. One recent estimate puts our total debt in collection at \$2.2 billion, but because this is based on debt on credit reports, it is likely an underestimate because it does not include individuals on payment plans, who have paid with a credit card or depleted savings, or are not yet sufficiently behind for a bill to show up on their credit report.

Behind these staggering numbers are stories.

- Deborah Fisher from Indianapolis finally had a miracle baby after several miscarriages but it came at a staggering cost – medical debt led to wage garnishments, bankruptcy, and the loss of her home. “It felt like I was trying to make my way back up the ladder, only to fall back down to the bottom. **It was like being punished and re-punished all over again** — all because I had a baby that needed medical care.”
- Another Hoosier, Joyce Fleck in Jasper watched her sister, Jayne, struggle with medical bills as she fought cancer. She says, "Jayne lived a very humble life and was such a good person. **I have to wonder how much longer my sister could have lived if her medical debts were put on hold while she was trying to recover** or if she wouldn't have had to lose precious time waiting for the proper level of insurance coverage to be approved. It was just awful watching her go through this."
- Sonya Paul from Muncie, who was diagnosed with breast cancer shared that she filed bankruptcy and lost her retirement savings due to medical debt. She says "**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."**

Perhaps most alarming to me is the impact of medical debt on future care decisions and our overall health as a state. Our team recently completed an interview-based study with new mothers and one shared that she woke up in severe abdominal pain a few weeks after giving birth and her first thought was, "I don't want to go to the emergency room because I can't afford another bill." Similarly, a mother struggling with postpartum depression shared that she wasn't sure treatment would help because of the increased anxiety more bills would cause.

Clearly, there are so many whose lives are affected by health care debt in our state. Last session, we joined 34 other organizations in support of SB 276. Broadly, this bill was an effort to raise the bar for charity care and to address debt collection practices related to things like credit reporting, liens on a home, wage garnishment, and interest rates so that Hoosiers could keep their heads above water when those bills arrive in the mail.

We believe Hoosiers deserve a healthcare system that is transparent, accessible and manageable for the people it is meant to serve. The Institute looks forward to continuing to be a voice for the many Hoosiers who struggle with high health care costs and to supporting efforts to improve health care access and affordability.