

Medical Debt In Indiana

Research, Advocacy, Policy & Collaboration

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I N D I A N A
COMMUNITY ACTION
POVERTY INSTITUTE
Research and Public Policy

Indiana Community Action Poverty Institute (INCAP)

- The Indiana Community Action Poverty Institute engages in research and promotes public policies to help Hoosier families achieve and maintain financial well-being.
- We are a program within the Indiana Community Action Association- connected to all the 22 Community Action Agencies.

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out our
website



Scan to find
your local
CAA!

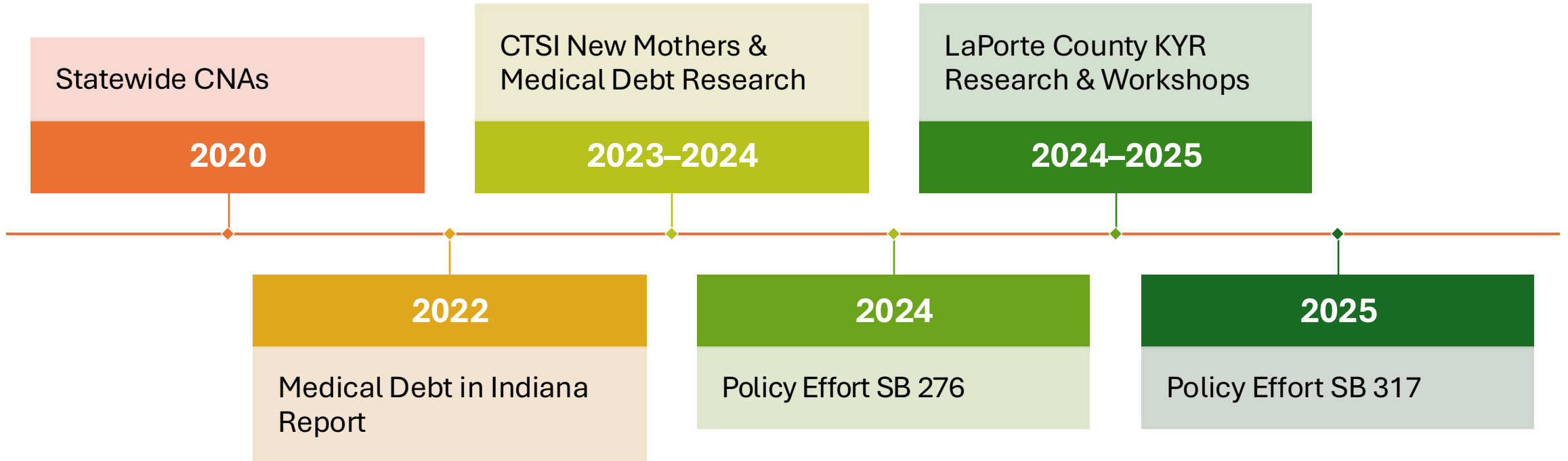


Why Medical Debt?

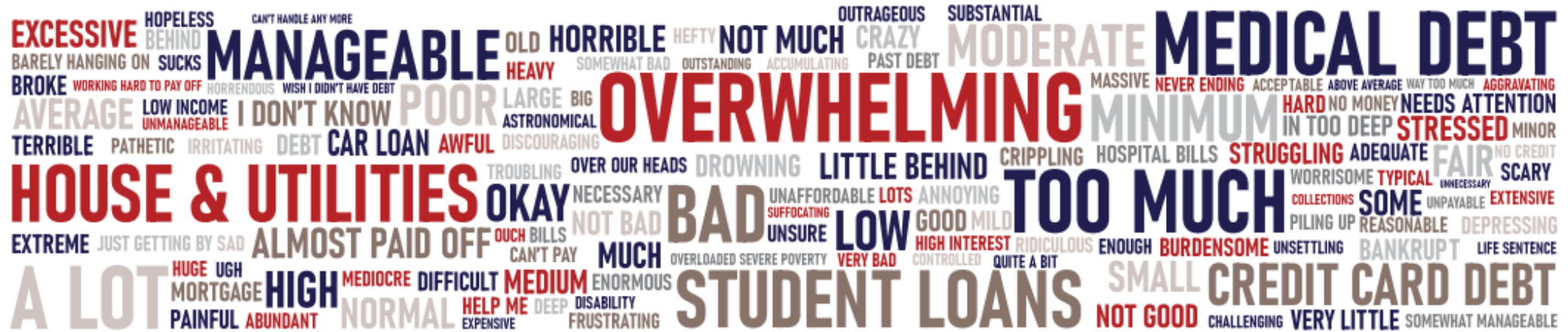
Deborah Fisher from Indianapolis suffered for three decades because after several miscarriages, she finally had a baby – a miracle baby – who survived, but spent considerable time in the NICU. Her wages were garnished and eventually she lost her home. “It felt like I was trying to make my way back up 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.”



Timeline of Our Efforts



How Financially Vulnerable Hoosiers Feel about Debt:



2020-2022 Lay of the Land: Med Debt in Indiana

- 2020 Community Needs Assessments (CNAs)
 - In 2020, for the first time, we included a set of questions in our survey about types of debt.
 - Among the 5,822 survey respondents (typically low-income Hoosiers) nearly 40% reported that they had medical debt IN COLLECTIONS.

2020-2022

Lay of the Land: Med Debt in Indiana

- 2022 Summer Research Report
 - Indiana has the highest share of its population with a medical debt in collections compared to its Midwest neighbors.
 - 11th highest share of our population has medical debt in collections.
 - That is 18.2% with \$2.2 billion outstanding in collections (not including payment plans or those on credit cards).



Consumer Financial Protection Bureau, Medical Debt Burden in the United States (Washington, DC: 2022)



The Testimony We Never Gave:

IT'S TIME TO ADDRESS MEDICAL DEBT



2023- 2024: Policy Efforts & Targeted Research

- Working in advance of the 2024 legislative session to prepare for the introduction of a policy to address medical debt in Indiana (SB 276)
 - Worked alongside a legislative champion and with partners to advance these effort to propose the first in our knowledge medical debt relief bill in Indiana

2023- 2024: Policy Efforts & Targeted Research

- Coordinated, supported and conducted testimony at the statehouse to improve healthcare costs and address medical debt
 - EX: Healthcare costs task force (2023)
- Coordination of Public Comments
 - EX: Supporting CFPB rule around medical debt on credit reports (2024)

Submitted at Regulations.gov
The Hon. Rohit Chopra, Director
Consumer Financial Protection Bureau
2024 NPRM Overdraft

c/o Legal Division Docket Manager
1700 G Street NW Washington, DC 20552

Re: Docket No. CFPB-2024-0002 or RIN 3170-AA42

Medical debt prevents far too many Hoosiers from being able to meet their basic needs and pursue dreams such as homeownership and a secure retirement. The undersigned organizations and individuals in the state of Indiana believe the CFPB's proposed rule would greatly support Hoosiers struggling with medical debt, especially in light of the current lack of protections in state legislation. Our limited state protections are not for lack of interest and advocacy; in the 2024 Indiana legislative session, 35 organizations and many individuals statewide signed on in support of a bill to offer additional protections to individuals with medical debt, including a prohibition on credit reporting. Unfortunately, this legislation failed to pass, making the CFPB's proposed rule essential to protect individuals in our state.

2023- 2024: Policy Efforts & Targeted Research

- Targeted Research: CTSI New Mothers & Medical Debt Research
 - Findings show medical debt impacts pregnant and post-partum Hoosiers across levels of income on
 - Care seeking
 - Finances
 - Increases anxiety and time burden
- Helped us:
 - Obtain a deeper understanding of this population's experiences to bring their voices directly into our policy work
 - Provide needed research on this topic to both the scientific and legislative communities

Listening to HOOSIERS New Mothers & Medical Debt

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Methodology
In 2023 and 2024, Institute staff conducted a series of one-on-one interviews with pregnant or postpartum women in Indiana about their experiences with medical debt. Here, we share key take-aways from a subset of these interviews.

Profiles of Speakers

Michelle experienced continual rounds of medical debt, which made her hesitant to pursue needed medical care post pregnancy due to the financial stress she experienced.	Lucy had twins followed by a high-risk pregnancy. Even with insurance, care for her pregnancy, her twins, and her own health meant constant bills – while living paycheck to paycheck.	Sarah and her partner struggled to achieve a pregnancy and then found themselves cutting their budget once their much-hoped for baby arrived, including therapy for post-partum depression.	Alexis wishes she had known that an emergency C-section would mean increased costs and wonders what else should inform her decision-making about which health plan to choose next.
Sharon carried medical bills from a past medical care into parenthood, including the consequences of a bankruptcy due to needed surgery.	Janet and her partner welcomed their first child - in addition to an array of bills and shifting job roles.	Teresa's unstable, low-paying employment has meant on-again off-again insurance and a growing pile of debt – all while welcoming a new baby.	Shawna is grateful for Medicaid coverage for her pregnancy, but still carrying debt from a past ER visit and fears what will happen when her coverage ends.

Lessons Learned

TAKEAWAY #1 A new baby brings about life shifts - including insurance changes and unexpected medical debt.	"We have medical bills from the baby that I had in January [it] was an emergency C-section. So that was really expensive, even though we have insurance." - Alexis	"I'm diabetic...always, but during pregnancy I [had] to take insulin. So, between the long acting, short acting [insulin], test strips and... the Lancet fangs. It was probably at least \$100 a month. So frankly, we just can't afford it. We just put it on our credit card." - Lucy	"I had to drop down to part time when I came back on [to work]. And so now [our insurance is] with my husband's employer this time around." - Michelle
TAKEAWAY #2 Experiencing medical bills brought about financial stress and pressure during a critical time for families – often pushing them further into debt.	"We were using payday loans and stuff like that all the time because we just couldn't make ends meet." - Sharon	"Many times, I've had to overdraft my account... then I have overdraft fees, and even though I pay the money back, I still have these overdraft fees." - Teresa	"We just put on a credit card, and if we can't pay off that credit card, I just did another balance transfer. [to the] next credit card." - Lucy

2024-2025: Policy Efforts, Targeted Research & Advocacy

Senate Bill 317

Health care debt and costs.



Senate Bill (S)

Authored by: [Sen. Fady Qaddoura](#), [Sen. Ed Charbonneau](#).

Co-Authored by: [Sen. Shelli Yoder](#), [Sen. J.D. Ford](#), [Sen. La Keisha Jackson](#), [Sen. Vaneta Becker](#), [Sen. Spencer Deery](#),
[Sen. Lonnie Randolph](#).

- Policy Efforts
 - SB 317 – Bipartisan Support (moved out of committee)
 - Protections on homes, vehicles, wages and credit scores
 - Reasonable payment plans
 - Clear charity care notifications
 - Requires that hospitals provide a good faith estimate of out-of-pocket medical costs for their medical needs
 - SB 337
 - Non-profit hospitals with annual revenue of at least \$20 million would have to, provide charity care to low- and moderate-income patients on a slide scale
 - Makes assessments of CC consistent application of charity care assessments

2024-2025: Policy Efforts, Targeted Research & Advocacy

- Coordinated, supported and conducted testimony at the statehouse to improve healthcare costs and address medical debt
 - EX: Senate Health & Provider Services Committee (2025)
- Coordination of Public Comments
 - EX: Supporting SB 317 & SB 337 (2025)

Dear Members 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 reduce health care costs in Indiana. **Senate Bill 317 and Senate Bill 337** are vital to this work as they prevent high medical costs, often resulting in medical debt, from harming Hoosiers' ability to meet their basic needs.

Across the state, Hoosiers are being forced to choose between physical and financial well-being. Sonya Paul from Muncie was diagnosed with breast cancer, after which she and her husband lost their home, and both filed for bankruptcy after having to spend all 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."*

2024-2025: Policy Efforts, Targeted Research & Advocacy

- Advocacy Efforts:
 - Medical Debt Day of Action- LLS & ACS partners
 - Targeted and focused engagements
 - Storytellers centered



2024-2025: Policy Efforts, Targeted Research & Advocacy

- Targeted Research & Advocacy:
 - Health Foundation of LaPorte Funded Project focused on creating targeted Know Your Rights on Medical Debt materials
 - Allows for awareness raising on what people can presently do to try and mitigate and address their medical debt

Addressing Medical Debt

An Unofficial Peer-Informed Overview



Plan Ahead!

Communicate with your healthcare provider (remember hospitals and providers can bill separately) if you have concerns about paying the bill--some providers offer payment plans, and being proactive fosters goodwill.

1

2

Look Over Your Bill!



You will receive a printed (standard) or electronic (opt-in) bill. Look over the bill, and if you think you are being overcharged, you can request an itemized bill. Request a timeline as to when you can expect an itemized bill, and ask to have the medical bill "held" in the meantime.



Speak Up If Things Don't Seem Right!

If your itemized bill shows incorrect charges or errors, an occurrence particularly common with ER bills, then you may wish to speak to a supervisor in the billing department who can help you in disputing a charge.

3

4

Keep Records Of Your Contact Points!

[REC]

Save, log, and record any and all physical mail or phone calls in which you engage with your provider's billing department. Indiana is a one-party consent state, which means you can record your conversations with the billing department.

5

Make Financial Choices That Makes Sense For You!

Medical debt, as with other financial matters, is highly personal, meaning only you know what "best" choices can be made given your circumstances. No matter what, be sure to check your credit score to make sure that no debt wrongfully appears on your record.

6

Care For Yourself!



Handling medical debt can be time consuming and mentally taxing due to the multiple layers you have to navigate. Ensure you are eating, drinking, resting, and finding small moments of joy to uplift you during this difficult process.

Healthcare Costs- Medicaid Matters & Medical Debt

- SB 2 Testimony, Collaboration & Coordination
 - Senate Committee on Appropriations
 - House Committee on Public Health
- In-House Efforts: Bringing research, stories and storytellers to lawmakers
- Collaboration with our partners HA and others on Medicaid Day of Action April 1st, 2025



Want to Stay In Touch?

- Stay informed about what the Indiana Community Action Poverty Institute (INCAP) is doing, our research efforts and the storytellers we are engaging!
- Our Email: Institute.incap.org



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