



**January 30, 2025**

**To:** Chair Taylor, Vice Chair Bonham, and Members of the Senate Committee on Labor and Business

**From:** Consumer Alliance of Oregon

The Consumer Alliance of Oregon urges your support of SB 605, Ending Credit Reporting on Medical Debt. The bill aims to address the serious issue of medical debt impacting Oregonians and ensure greater financial and health equity for all.

Nearly one in three Oregonians has taken on medical debt because of routine or emergency care in the past two years. Unlike other forms of debt, medical debt is not incurred by choice. It arises from unexpected emergencies or necessary, life-saving treatments. Communities of color, uninsured individuals, and disabled adults face disproportionate impacts, further exacerbating existing inequities in access to care.

Including medical debt on credit reports damages Oregonians' credit scores, leading to compounding issues finding employment and housing, accessing affordable credit, and manging [higher premiums](#) for necessary costs like insurance.

SB 605 would:

- Remove existing medical debt from credit reports.
- Prohibit debt collectors, hospitals, and other reporting entities from reporting medical debt to credit reporting agencies.
- Ensure the credit reporting ban includes credit reports used for employment and tenant screening.
- Include targeted healthcare credit cards such as CareCredit in this ban.

Patients frequently face impossible choices between paying medical bills and meeting basic needs, leading to severe financial and emotional stress. These sacrifices often worsen their health outcomes, creating a devastating cycle of financial instability and deteriorating health. Even someone covered by health insurance can find themselves left with thousands of dollars' worth of medical bills that, if left unpaid, can lower their credit score and harm their ability to access credit.

Medical debt is [one of the most disputed](#) forms of debt, and people often receive collection notices for debts they did not owe and bills that should have been covered by insurance.

Consumers applying for a loan or mortgage may feel pressured into paying off disputed medical bills to minimize harm to their credit score.

Oregon should join the many states that have passed laws with similar protections including Connecticut, Illinois, Maine, Maryland, Rhode Island, Colorado, New York, New Jersey, California, Virginia, and Minnesota with many more states introducing bills in their current legislative sessions

We urge your support of SB 605 to provide Oregonians with protections so their credit isn't harmed by medical debt. Thank you for the opportunity to submit testimony and your service to Oregon communities.

Sincerely,

Members of the Consumer Alliance of Oregon

Bienestar	Disability Rights Oregon	Oregon Food Bank
Centro Cultural	Leukemia & Lymphoma Society	Oregon Consumer League
DevNW	Micro Enterprise Services of Oregon	Oregon Health Equity Alliance
Latino Community Association	NAYA Action Fund	OSPIRG
Oregon Consumer Justice	Neighborhood Partnerships	Reimagine Oregon
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### **About the Consumer Alliance of Oregon**

The Consumer Alliance of Oregon champions the rights and interests of consumers across the state of Oregon by building the power and broad support needed to pass pro-consumer legislation. We prioritize the needs of communities who have been, and continue to be, most harmed by predatory practices.