



MASSACHUSETTS MEDICAL SOCIETY

Every physician matters, each patient counts.

**TESTIMONY IN SUPPORT OF H.419/S.214
AN ACT ALLEVIATING THE BURDEN OF MEDICAL DEBT FOR PATIENTS AND FAMILIES
BEFORE THE JOINT COMMITTEE ON CONSUMER PROTECTION & PROFESSIONAL
LICENSURE
September 8, 2025**

**The Massachusetts Medical Society (MMS) wishes to be recorded in support of
H.419/S.214, *An Act alleviating the burden of medical debt for patients and families.***

The MMS is a professional association of over 23,000 physicians, residents, and medical students across all clinical disciplines, organizations, and practice settings. The Medical Society is committed to advocating on behalf of patients, to provide them a better health care system, and on behalf of physicians, to help them provide the best care possible. The physician community witnesses daily the consequences of financial strain on patients' health and well-being. As such, we view H.419/S.214 as both urgently needed and firmly aligned with the Commonwealth's longstanding commitment to ensuring equitable, accessible care for all.

Despite near-universal insurance coverage in Massachusetts, more than one in eight residents carries medical debt, according to a 2025 analysis by the Center for Health Information and Analysis (CHIA).¹ The vast majority of these residents were fully insured when their debt began to accumulate, often due to high deductibles, copayments, or services not covered by their plans. The prevalence of medical debt will only grow as federal coverage changes and the expiration of Affordable Care Act subsidies threaten to increase the number of uninsured and underinsured individuals in the Commonwealth. Medical debt has wide-ranging consequences, including causing families to delay or forego care and making it more difficult to pay for housing, food, transportation, and other essential needs. These outcomes run counter to the clinical imperative to ensure that patients receive timely access to medical care.

¹ CHIA. Research Brief. Burdened by the Bill: Understanding Medical Debt in Massachusetts Findings from the Massachusetts Health Insurance Survey. 2025.
<https://www.chiamass.gov/assets/docs/r/pubs/2025/Understanding-Medical-Debt-in-Massachusetts.pdf>

Importantly, medical debt is not a reliable indicator of creditworthiness.² Medical expenses arise unexpectedly, involuntarily, and often during periods of acute medical vulnerability. Massachusetts residents currently carry a median of \$1,438 in medical debt in collections,³ yet even relatively modest debts can severely damage an individual’s credit score, affecting their ability to secure stable housing, transportation, employment, and other determinants of health. Ten other states, including California, Connecticut, New Jersey, New York, and Rhode Island, have already enacted protections limiting the use of medical debt in credit reporting. Massachusetts patients deserve a consumer protection system in which accessing necessary health care does not jeopardize their financial security or their future.

H.419/S.214 would implement essential consumer protections by prohibiting credit reporting agencies from including medical debt on consumer credit reports; preventing medical creditors and debt collectors from selling medical debt to third-party debt buyers; establishing sensible limits on collection practices to ensure that efforts to recoup unpaid medical bills do not escalate into aggressive or inappropriate actions; and strengthening protections within the court system by safeguarding wages, reducing the current 12% interest rate on judgments—the highest in the nation—and exempting certain essential property from seizure to settle outstanding medical debt. These protections recognize that individuals should not face lifelong financial hardship because they sought medical care during an unexpected illness or emergency.

The burden of medical debt in Massachusetts is also a pressing health equity issue. CHIA’s report and other analyses show that the burden is not shared equally. Over twenty percent of non-Hispanic Black residents report having medical debt, the highest rate in the Commonwealth.⁴ Communities of color face more than twice the rate of medical debt in collections compared with white communities, rendering them more vulnerable to the harms of aggressive debt collection practices and negative credit reporting.⁵ Moreover, credit scores themselves, although often perceived as objective measures, reflect longstanding racial and socioeconomic inequities.⁶ When medical debt damages credit reports, it exacerbates preexisting disparities. Black residents and families with low and moderate incomes are significantly more likely to

² Consumer Financial Protection Bureau. Consumer credit reports: A study of medical and non-medical collections. https://files.consumerfinance.gov/f/201412_cfpb_reports_consumer-credit-medical-and-non-medical-collections.pdf

³ Urban Institute. Debt in America: An Interactive Map. <https://apps.urban.org/features/debt-interactive-map/?type=medical&variable=medcoll&state=25>

⁴ CHIA. Research Brief. Burdened by the Bill: Understanding Medical Debt in Massachusetts Findings from the Massachusetts Health Insurance Survey. 2025.

<https://www.chiamass.gov/assets/docs/r/pubs/2025/Understanding-Medical-Debt-in-Massachusetts.pdf>

⁵ Urban Institute. Debt in America: An Interactive Map. <https://apps.urban.org/features/debt-interactive-map/?type=medical&variable=medcoll&state=25>

⁶ National Consumer Law Center. Past Imperfect: How Credit Scores “Bake In” and Perpetuate Past Discrimination Updated February 2024. https://www.nclc.org/wp-content/uploads/2016/05/20240227_Issue-Brief_Past-Imperfect.pdf

owe more than \$2,000 in medical debt, and more likely to carry this debt for longer periods.⁷ Insurance interruptions, which disproportionately affect marginalized communities, double the rate of medical debt compared with families who maintain continuous coverage.⁸ Yet even consistent insurance coverage does not guarantee protection, as deductibles, copays, and uncovered services remain major contributors to medical debt.⁹

The MMS supports efforts to shield patients from unsavory collection practices and the profound harm that medical debt can cause. At the same time, it is important to acknowledge that medical debt also affects the financial stability of the health care system itself—particularly independent physician practices that operate on thin margins and lack the financial buffer of large institutions. When patients are unable to pay for care, these practices often absorb the costs, jeopardizing their sustainability and reducing access to care. The Commonwealth must pair patient protections with broader, long-term strategies that strengthen the financial stability of physician practices, including payment reforms, adequate reimbursement, and reducing administrative burdens. Protecting patients and supporting the viability of the medical practices that serve them are mutually reinforcing goals.

Massachusetts has long been a national leader in health care access. But as this legislation recognizes, insurance coverage alone does not shield patients from the financial vulnerability created by illness or injury. By enacting H.419/S.214, the Commonwealth has the opportunity to meaningfully reduce the harm caused by medical debt, improve financial stability for families, and promote more equitable health outcomes.

For these reasons, the MMS urges favorable action on this legislation. Thank you for your consideration of our comments.

⁷ CHIA. Research Brief. Burdened by the Bill: Understanding Medical Debt in Massachusetts Findings from the Massachusetts Health Insurance Survey. 2025.

<https://www.chiamass.gov/assets/docs/r/pubs/2025/Understanding-Medical-Debt-in-Massachusetts.pdf>

⁸ Ibid.

⁹ Ibid.