



Testimony of Marge Kilkelly on Behalf of the
Maine Council on Aging to the Committee on Health
Coverage, Insurance, and Financial Services

**In Favor of LD 558 - An Act to Strengthen Consumer
Protections by Prohibiting the Report of Medical Debt on
Consumer Report**

Submitted March 25, 2025

Senator Bailey, Representative Gramlich, and the Members of the Committee on Health Coverage, Insurance, and Financial Services.

My name is Marge Kilkelly, and I am a Policy Consultant for the Maine Council on Aging (MCOA) which is a broad, multidisciplinary network of over 140 organizations, businesses, municipalities, and older community members working to ensure we can all live healthy, engaged, and secure lives with choices and opportunities as we age at home and in community settings. The MCOA is a unifying force across sectors that is creating a new narrative about aging and older people in Maine with the goal of building local, statewide, and national support for the systemic changes needed to support our new longevity.

I am testifying **in Favor of LD 558 - An Act to Strengthen Consumer Protections by Prohibiting the Report of Medical Debt on Consumer Report**. There are a number of bills regarding medical debt and we are encouraged that this critical issue is getting attention.

Medical debt is a national issue. In January 2025 the Consumer Financial Protection Bureau (CFPB) issued a final rule on the prohibition of medical debt information in consumer reports, however that has been at least temporarily halted as the Bureau undergoes significant leadership changes. The uncertainty of the national rule makes it all the more critical to pass this protection at the state level. As health care costs continue to rise, faster than inflation and more Mainers struggle to meet basic needs, we need to do what we can to protect Mainers who struggle to afford the health care they need and address medical debt.

Medical debt impacts people of all ages, individuals and families. Medical debt makes up the majority of all debt in collections on consumer credit reports. This impacts their ability to receive a loan, take out a credit card, purchase a vehicle, or rent or buy a home.

While many believe that once a person is eligible for Medicare they have no health care financial concerns, it is important to note that Medicare's benefit design requires premiums, cost shares, deductibles, prescription drug coverage, and individuals pay for hearing aids and glasses. While Medicare Advantage (MA) caps enrollee out-of-pocket costs, that ceiling, is nearly \$9,000 in 2024. This is a significant hardship since nearly half of Medicare recipients live on less than \$36,000 per year.

Further, it often means that people are unwilling to access much needed care for fear of adding to the debt. An August 2024 Medicare Watch report found that (62%) of older people with health-related debt and the resulting financial instability caused them to avoid or delay care due to cost. They postponed medical appointments, did not get doctor-recommended tests or treatments, and did not take a prescription medication as directed. This leaves them vulnerable to increased severity of disease or health crisis.

Medical debt is a crisis for many individuals, addressing the credit reporting aspect is important and we encourage your committee to act favorable on this legislation.