



March 28, 2022

The Honorable Sherrod Brown Chairman  
U.S. Senate Committee on Banking, Housing, and  
Urban Affairs  
534 Dirksen Senate Office Building Washington,  
D.C. 20510

The Honorable Patrick Toomey  
Ranking Member U.S. Senate Committee on  
Banking, Housing, and Urban Affairs  
534 Dirksen Senate Office Building Washington,  
D.C. 20510

Letter for the Record: Senate Committee Hearing, “Economic Impact of the Growing Burden of Medical Debt.”

Dear Chairman Brown and Ranking Member Toomey:

RIP Medical Debt appreciates the Committee holding a hearing on medical debt and its harmful effects on people. As a national nonprofit committed to abolishing medical debt, we know firsthand how harmful medical debt is for people and the long-lasting effects it has on people’s health and financial well-being. About [one third of U.S. adults](#) have difficulty covering unexpected expenses like out-of-pocket spending for health care and medical debt is the [leading cause](#) of bankruptcy in the U.S. While medical debt affects a broad spectrum of people nationwide and increasingly, the insured, those hardest hit by medical debt are people with low-incomes and people of color. Patients with burdensome medical debt often delay the care they need because they fear incurring even more debt. Broadly, personal debt is toxic, [resulting in mental health anguish](#) – layering an additional health challenge on top of one’s existing health issue. **It is critical that all solutions that aim to end medical debt hold patients harmless and are developed through a racial justice and health equity lens.** To illuminate the deep harm of medical debt, we are attaching a set of stories from RIP Medical Debt beneficiaries.

Since our founding in 2014, RIP Medical Debt has abolished nearly \$7 billion in medical debt for millions of people nationwide. RIP’s philanthropic model mimics for-profit debt buyers by using fundraised dollars to purchase medical debt for pennies on the dollar. Once we own the debt, we notify the thousands of individuals whose debt we purchased that we are freeing them of the debt obligation for good. We bring attention to the negative impacts caused by medical debt to spur change, deepen our collective understanding of its causes and support progress toward a more transparent, equitable and affordable healthcare system. We do this by providing a platform for real debtors to share their stories and destigmatize medical debt.

We hope the attached package of stories from beneficiaries sheds light on the economic and emotional harm of medical debt. Some examples include:

- **Ohio:** “Since becoming disabled in 2005, medical debt has consumed my finances and I have been overwhelmed trying to consolidate prior and current medical bills. This was such a nice surprise to receive in the mail, especially during a pandemic year. I can’t express my gratitude enough for being chosen to receive this debt relief, but I can hopefully pass along my instilled faith I have in humanity during these times that there is hope and acts of generosity in unexpected places. This has brought the biggest smile to my heart and I will pass that on as well as we all know how contagious they can be.”
- **Pennsylvania:** “Thank you so much for helping me with my hospital debt! I am a single woman living in the city trying to make it in the world with a low-income wage. By helping me with my hospital debt you are giving me a second chance at improving my financial situation and providing that I can use my income to pay for a roof over my head! I will forever be grateful and spread the word!”
- **Ohio:** “I could not afford health insurance and my husband made too much money to get state Medicaid. This bill is from my pregnancy. Thank you so much for relieving this burden for me!”
- **Pennsylvania:** “I’d like to say thank you. I cannot stress how hard it is to keep up with medical bills. There have been many times that I would stay home rather than seek medical attention or treatment because of the bills that come after. Even having health insurance it’s just not enough. The bills that come after are usually pretty unaffordable to some people like me with limited funds. To have to choose between my health or my necessities is not fair. Unfortunately it is a fact of life. So thank you for this gift it was greatly appreciated.”

In many ways, medical debt represents the shortcomings of our economic system and our failing health care financing system. The average medical debt is around [\\$400](#) according to a 2021 study in the Journal of the American Medical Association (JAMA). According to the research, medical debt is highest among people living in the South and in lower-income communities. Inflation places additional pressure on people’s wages, forcing them to choose what bills to pay from housing to food. While recent changes by the three largest credit agencies will help some individuals with medical debt, it will not address the root issues of equitable access to affordable and comprehensive health coverage and to economic opportunity and wealth. According to [census data](#), the median medical debt owed is \$2,000, meaning half had more and half had less. **To truly free people from this burden we must align the financial contribution expectations of individuals to their means, so no one has to skip care or lose their economic security to access health care.**

Thank you for your attention to this issue; contact Eva Stahl with any questions ([eva.stahl@ripmedicaldebt.org](mailto:eva.stahl@ripmedicaldebt.org)).

Regards,



Allison Sesso  
CEO, RIP Medical Debt