

Rep. Gabe Vasquez Introduces Bill to Ensure Medical Debt Relief and Protections for Patients

LAS CRUCES, NEW MEXICO, USA, July 30, 2024 /EINPresswire.com/ -- U.S. Representative Gabe Vasquez (N.M.-02) introduced the Patient Debt Relief Act that provides relief and protections to millions of Americans burdened by medical debt. The bill takes a fresh approach by establishing a grant program that enables non-profit organizations to purchase debt from hospitals while codifying protections for patients. Today, the Congressional Hispanic Caucus announced their support for the bill.

“Suffering from a medical emergency should not mean putting your home or family’s future at risk – but too often, New Mexicans are faced with significant medical debt that threatens their financial stability. My bill will protect patients and ensure that debt collectors cannot foreclose on homes simply because of medical debt,” said Congressman Vasquez. “The Patient Debt Relief Act will provide relief to those suffering from medical debt while ensuring long-term protection for patients all over the country.”

An estimated [100 million Americans](#) are currently struggling with medical debt, which disproportionately affects Black and Hispanic families. A troubling 64 percent of Hispanic adults have had medical debt in the past five years. The Patient Debt Relief Act prevents creditors from foreclosing on a home or seizing wages due to unpaid medical bills. By cracking down on predatory debt collection practices and allowing non-profits to provide debt relief, Congressman Vasquez is ensuring that people are able to focus on their recovery, instead of their debt.

“Patients should be able to focus on their recovery, not whether they’ll lose their home or have their wages seized due to medical debt,” said Energy and Commerce Committee Ranking Member Frank Pallone, Jr. (D-N.J.). “The Patient Debt Relief Act is about protecting patients and providing peace of mind to hardworking Americans. I’m grateful to Representative Vasquez for his leadership on this important legislation and look forward to working together on it.”

The core of the Patient Debt Relief Act is a grant program directed by the Department of Health and Human Services (HHS) that enables non-profits to purchase medical debt from hospitals, significantly reducing the financial burden on patients. Medical debt is purchased at a one to 100 rate, according to Undue Medical Debt, a non-profit who purchases delinquent hospital bills. Authorized at \$100 million, this bill will be able to provide \$10 billion in relief to patients. This is a cost-effective way to provide relief to struggling patients.

This bill also requires hospitals to offer repayment programs prior to referring medical debt to collection agencies and requires HHS to conduct annual random audits of hospitals to ensure compliance with these new patient protections.

“We know that thousands of patients across New Mexico, and more across the country, are being sued for unpaid medical bills — having their wages garnished, liens placed on their homes and their credit ruined — all while hospitals benefit from public funds,” said Arika E. Sánchez, Healthcare Attorney at the New Mexico Center on Law and Poverty. “We commend and support Rep. Vasquez’s effort to prohibit hospitals from sending low-income patients to collections, placing liens or foreclosing on their homes to recover unpaid medical bills and garnishing much-needed wages.”

“We have a medical debt crisis in this country. It is a crisis that impacts more than 100 million people in the United States — that’s four in ten adults and includes people with health insurance. It disproportionately impacts Black and Latinx communities. Nobody should be forced to make the impossible choice between getting essential care and going into debt,” said Mona Shah, Senior Director of Policy and Strategy at Community Catalyst. “We applaud Representatives Vasquez and Horsford for introducing this important piece of legislation to address some of the root causes of the medical debt crisis by improving access to financial assistance and prohibiting hospitals from placing liens on homes or garnishing wages for unpaid medical bills.”

Congressional Hispanic Caucus Chair Nanette Barragán (Calif.-44), Congressional Black Caucus Chair Steven Horsford (Nev.-04) and Representatives Raul Ruiz, M.D. (Calif.-25), Kim Schrier, M.D. (Wash.-08), Shri Thanedar (Mich.-13), Melanie Stansbury (N.M.-01) and Sheila Cherfilus-McCormick (Fla.-20) co-sponsored the legislation.

“Medical debt is crushing millions of Americans, including about 170,000 Nevadans, and affects people when they are at their most vulnerable,” said Congressman Steven Horsford. “The Patient Debt Relief Act will offer protections by partnering with non-profits to forgive debt, codifying state-level safeguards, and ensuring fair hospital practices. I’m supporting this bill to ensure unexpected medical expenses don’t lead to financial ruin for Nevadans.”

“Medical debt is a persistent problem, especially for those that require ongoing care. As an emergency physician, I have seen firsthand the impact that medical debt has on underserved communities, especially low-and middle-income adults and those without health insurance,” said Congressman Dr. Raul Ruiz (CA-25). “The Patient Debt Relief Act would take action to address the growing medical debt concern.”

“Nearly two-thirds of bankruptcies in the United States are caused by crushing medical debt,” said Congressman Shri Thanedar. “Working Americans should never be at risk of losing their homes and livelihoods due to an unforeseen accident or medical emergency. This bill will help

protect patients from being taken advantage of by hospitals and insurance companies in their time of need. I am proud to support reforms like this one and believe that these changes would substantially improve the lives of the people in my district and across the country.”

Cecilia Belzer

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