



COMMISSION ON RACIAL EQUITY IN PUBLIC HEALTH

CONNECTICUT GENERAL ASSEMBLY

August 9th, 2024

Re: Docket ID CFPB-2024-0023/ RIN 3170-AA54
Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information
(Regulation V)

Dear Consumer Financial Protection Bureau:

Thank you for accepting this comment on behalf of the Commission on Racial Equity in Public Health (CREPH). We are a non-partisan commission within the Connecticut General Assembly charged with making policy recommendations to eliminate the impact of racism on health outcomes and social drivers of health. I appreciate the opportunity to submit this written comment in strong support of the proposed rule prohibiting medical debt from being reported to creditors and consumer reporting agencies.

[Racial inequities](#) in health, income, and insurance coverage play a role in the prevalence and burden of [medical debt](#), particularly for people of color. [Medical debt](#) is both a result of the cycle of economic and health inequity, as well as a contributor to it. In [Connecticut](#), it is estimated that 17% of residents of color are saddled with medical debt. In addition to carrying more medical debt, the [National Consumer Law Center](#) (NCLC) found people of color to be disproportionately more likely to be subject to debt collection. Furthermore, a [Propublica](#) study found that among groups whose debt resulted in legal action, Black communities faced the highest judgment rates which typically resulted in wage garnishment. The impact of medical debt extends beyond affecting a person's financial health. The stress associated with debt collection and/or legal action has a negative impact on both the mental and physical health of those faced with medical debt.¹

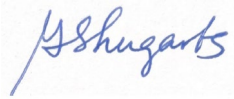
In the above referenced proposed rule, the Consumer Financial Protection Bureau (CFPB) seeks to restrict the reporting of medical debt to credit rating agencies in order to prevent such debt from affecting a person's credit report. The CFPB proposes to include third-party debt collectors such as medical credit card issuers in the definition of medical debt, making these parties subject to the conditions of this proposed rule. The Commission fully supports the inclusion of medical credit card issuers into the proposed rule. The Connecticut General Assembly recently passed [Public Act 24-6](#) (P.A. 24-6) restricting the reporting of medical debt to credit reporting agencies and was intentional about including medical credit card issuers into the legislation. The Commission would recommend that the CFPB consider the addition of penalties for violations pertaining to the reporting of medical debt. In Connecticut, P.A. 24-6

¹ Haynes, B.L. (2022). [The Racial Health and Wealth Gap: Impact of Medical Debt on Black Families](#). National Consumer Law Center.

states that "any portion of a medical debt that is reported to a credit rating agency shall be void." CREPH believes that adding a penalty for violations would encourage compliance.

Thank you for the opportunity to submit comment in support of RIN 3170-AA54, Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V). We applaud the Consumer Financial Protection Bureau for introducing a rule that seeks to mitigate the negative financial impact medical debt can have on so many lives. As the [NCLC](#) succinctly summarized, "the physical and mental health impacts of carrying medical debt reinforce the racial health gap, worsening existing health disparities."² Thank you again for the opportunity to comment and for the important work being done at the federal level to address medical debt in the United States.

Sincerely,

A handwritten signature in blue ink that reads "GShugarts". The signature is written in a cursive, flowing style.

Gretchen Shugarts, MA
Commission Analyst
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² Haynes, B.L. (2022). [The Racial Health and Wealth Gap: Impact of Medical Debt on Black Families](#). National Consumer Law Center.