



Date: February 25, 2025

TO: Representative Joseph Solomon, Chair
Members, House Corporations Committee

FROM: Carol Costa, Executive Director
Senior Agenda Coalition of RI

**RE: Support for H5235, RELATING TO COMMERCIAL LAW -- GENERAL
REGULATORY PROVISIONS -- INTEREST AND USURY**

The Senior Agenda Coalition of RI (SACRI) is pleased to support H5235 introduced by Representatives Shallcross Smith, Handy, Furtado, Read, Speakman, Noret, Casimiro, Finkelman, Baginski, and Corvese.

This act would limit the interest rate on medical debt to not more than 4% annually as published by the Federal Reserve, but not less than 1.5% annually.

SACRI's mission is to mobilize people to implement an agenda that improves the quality of life of older Rhode Islanders and adults with disabilities. We accomplish this through *community organizing, public education, advocacy, and legislative action*.

Older persons typically use more healthcare and often have higher out-of-pocket costs as they age. Medical debt is the most common collection type on consumer credit reports and among adults aged 65 and over, unpaid medical bills are most common for those with an annual household income between \$15,000 and \$35,000 (Consumer Financial Protection Bureau). According to a Commonwealth Fund report, 27% of adults ages 50 to 64 have medical debt as do 16% of Americans on Medicare ages 65 to 75. A 2024 KFF study showed one in 10 people age 65 or older with health care debt owe \$10,000 or more and that 29% of Medicare-age adults with health care debt had been contacted by a collection agency in the past five years. KFF's study discovered that of all the people aged 65 and over who have medical debt (or live with someone who has it) 62% have delayed, skipped or sought alternatives to needed health care or prescription drugs due to costs in the past year.

In a January 2025 article in *Health Affairs*¹, Dr. Donald Berwick (former President and CEO of the Institute for Healthcare Improvement) and co-authors discussed reimaging health care and detailed eight principles to guide policymakers. The first principle proposed is that all Americans should have access to affordable, comprehensive health coverage and care and that all medical debt be eliminated. They further proposed that

Congress enact legislation prohibiting the pursuit of medical debt collection from any US household with gross income less than 400 percent of the federal poverty level.

On behalf of older adults and adults with disabilities, SACRI urges you to recommend passage of this legislation. Thank you for your consideration.

1. [Health Affairs Vol. 44, No. 2](#): Health Policy Road Map For A New US