

**STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**
DEPARTMENT OF HEALTH - KA 'OIHANA OLAKINO

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
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ADMINISTRATOR

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**House Committee on Health and Homelessness
Representative Della Au Belatti, Chair,
Representative Jenna Takenouchi, Vice Chair,
and Members**

S.B. 3239, S.D. 2 Relating to Medical Debt

**Testimony of John C. (Jack) Lewin, M.D.
SHPDA Administrator**

**Wednesday, March 13, 2024
9:00 a.m.**

1 **Agency's Position: Support**

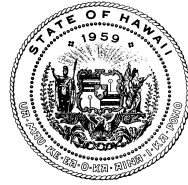
2 **Fiscal Implications: None**

3 **Purpose and Justification:** Medical debt is the most common form of personal bankruptcy
4 across the nation. This is tragic; and fear of this causes many patients with acute and chronic
5 conditions to avoid necessary care, only to result in catastrophically expensive medical
6 complications later. This bill assigns the Office of Wellness and Resilience to design and
7 implement a 3-year pilot program in collaboration with health care providers to seeks means to
8 forgive outstanding medical debt, which is needed, and we support it.

9 However, preventing future medical debt is also an important imperative to be achieved,
10 and one that is being considered in other states. Thinking broadly about this problem and the
11 future, Hawai'i and the nation must seek means to guarantee universal access to high-quality,
12 equitable, affordable health and long-term care for ALL, as virtually all other developed nations
13 have accomplished in various ways. This is SHPDA's assigned mission, which would

1 eliminate medical debt issues for future generations. This is key to the Governor's vision of
2 "Hawai'i the Health State" and Hawai'i should be the first state to fully achieve this worthy,
3 long-overdue goal.

4 Mahalo for the opportunity to testify.



STATE OF HAWAII
OFFICE OF WELLNESS AND RESILIENCE
KE KE'ENA KŪPA'A MAULI OLA
OFFICE OF THE GOVERNOR
415 S. BERETANIA ST. #415
HONOLULU, HAWAII 96813

**Testimony in SUPPORT of S.B. 3239 SD2
RELATING TO MEDICAL DEBT**

Representative Della Au Belatti, Chair
Representative Jenna Takenouchi, Vice Chair
House Committee on Health and Homelessness

March 13, 2024, at 9:00 am

Room Number: 329

The Office of Wellness and Resilience (OWR), housed in the Office of the Governor, **SUPPORTS** S.B. 3239 SD2, Relating to Medical Debt.

Established through Act 291 (Session Laws of Hawai'i 2022) the overall aim of the OWR is to make Hawai'i a trauma-informed state. OWR is focused on breaking down barriers that impact the physical, social and emotional well-being of Hawai'i's people. The OWR explores avenues to increase access and availability to mental, behavioral, social, and emotional health services and support.

SB3239 SD2 authorizes OWR to implement and execute a program to acquire and forgive outstanding medical debt. Medical debt can take a serious toll on mental and physical well-being. Individuals with debt are three times more likely to have mental health conditions such as anxiety, stress, or depression.¹ According to the Consumer Finance Protection Bureau, medical debt is the top reason consumers are contacted by debt collectors.² In fact, many physicians and public health researchers consider medical debt as an important social determinant of health.³ In addition to this, medical debt is more likely to burden people with disabilities or in worse health, lower-income people, and uninsured people.

Although Hawai'i opted in to join Medicaid expansion under the Affordable Care Act, numbers of households remain uninsured, incur medical debt from out of pocket costs for treatments that are not covered by insurance plans, and are financially burdened by increased cost-sharing. According to the preliminary data that we are seeing in the Hawai'i Workplace Wellness and Quality of Life Survey, a survey that OWR is conducting in partnership with University of Hawai'i at Manoa, 19% of state workers hold medical debt of \$500 or more and 21% community survey respondents hold medical debt of \$500 or more. By removing the financial burden of medical debt, the State will be addressing the well-being of many families in Hawai'i.

Thank you for the opportunity to provide testimony on this bill.

Tia L.R. Hartsock, MSW, MSCJA

A handwritten signature in black ink, appearing to read "Tia Hartsock".

Director, Office of Wellness & Resilience
Office of the Governor

¹ Wiltshire et al. "Problems paying medical bills and mental health symptoms post-Affordable Care Act." AIMS Public Health. May 6, 2020. <http://www.aimspress.com/article/10.3934/publichealth.2020023>.

² *Consumer Experiences with Debt Collection. Findings from the CFPS's Survey of Consumer Views on Debt*, Consumer Finance Protection Bureau, 2017, https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201701_cfpb_Debt-Collection-Survey-Report.pdf

³ Mendes de Leon, Carlos and Jennifer Griggs. "Medical Debt as a Social Determinant of Health." Journal of the American Medical Association. July 20, 2021. <https://jamanetwork.com/journals/jama/article-abstract/2782205>.



THE QUEEN'S HEALTH SYSTEM

To: The Honorable Della Au Belatti, Chair
The Honorable Jenna Takenouchi, Vice Chair
Members, House Committee on Health & Homelessness

From: Jacce Mikulanec, Director, Government Relations, The Queen's Health System

Date: March 13, 2024

Re: Support of SB3239 SD2 – Relating to Medical Debt

The Queen's Health System (Queen's) is a nonprofit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, and more than 10,000 affiliated physicians, caregivers, and dedicated medical staff statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's appreciates the opportunity to provide comments in support of SB3239 SD2, which authorizes the Office of Wellness and Resilience (OWR) to develop, implement, and execute a program to acquire and forgive outstanding medical debt. Roughly one in three people in this country are currently struggling with unpaid medical bills – over 100 million people. This debt can in-turn have a profound and cascading adverse influence over decisions to seek future medical services and critical medications. The proposed program in SB3239 SD2 is similar to successful programs currently being deployed in states like New Jersey and Connecticut.

For Queen's, we see this model of addressing medical debt as a promising and worthy endeavor and one that we are currently employing. Through our work with RIP, a national non-profit focused on eliminating medical debt, we are on the threshold of piloting our first effort to remove medical debt going back nearly three years. We see this as a benefit to both our patients and to our overall healthcare system. Should this legislation ultimately pass, we urge the OWR to collaborate and learn from our experience to help ensure the program broadly helps our community.

Thank you for allowing us to provide testimony in support of SB3239 SD2.

The mission of The Queen's Health System is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.



Wednesday, March 13, 2024 at 9:00 am
Conference Room 329

House Committee on Health and Homelessness

To: Chair Della Au Belatti
Vice Chair Jenna Takenouchi

From: Paige Heckathorn Choy
AVP, Government Affairs
Healthcare Association of Hawaii

Re: **Support**
SB 3239 SD 2, Relating to Medical Debt

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the healthcare continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 30,000 people statewide.

Thank you for the opportunity to **support** this measure, which would seek to implement a pilot program in collaboration with medical providers to acquire and forgive medical debt. We are appreciative that the legislature is interested in encouraging broader discussion on the extent of medical indebtedness and believe that efforts to relieve debt will have positive effects for providers and patients alike. Our organization is actively engaged with our hospital members and a national organization with expertise in this type of program and believe that we can carry out the intent of this measure to alleviate burdens on residents in the state.

The Hawaii State Legislature has been a leader in ensuring that residents have access to quality, affordable care. As we celebrate the 50th anniversary of the Prepaid Act, we look forward to working with stakeholders to continue to advocate for expanded access to care, and support efforts to ensure that no one forgoes needed services over concerns about affordability.



March 11, 2024

RE: Senate Bill 3239, Relating to Medical Debt - SUPPORT

Chair and members of the Committee:

We encourage you to support Senate Bill 3239 (SB 3239) relating to medical debt on behalf of those living with or in remission from blood cancer.

SB 3239 offers a practical route for families to prevent unforeseen financial challenges when hospitalized, avoiding the risk of being pushed deeper into a cycle of debt and poverty.

The Leukemia & Lymphoma Society® (LLS) is a global leader in the fight against cancer. The LLS mission: Cure leukemia, lymphoma, Hodgkin's disease and myeloma, and improve the quality of life of patients and their families. LLS funds lifesaving blood cancer research around the world, provides free information and support services, and is the voice for all blood cancer patients seeking access to quality, affordable, coordinated care.

Patients feel trapped by medical debt. According to a recent [national survey](#), nearly 7 in 10 U.S. adults say they receive medical bills they cannot afford. Many are forced to delay paying the bill, put it on a credit card, or challenge the bill. 74% of those with past or present medical debt have experienced negative impacts as a result. More than 4 in 10 delayed medical care because they did not want to go further into debt. And 32% of Americans say they became more depressed and anxious due to their medical debt.

Paying for incurred medical debt is a significant first step for governments. And there is even more we can do together to address medical debt. We encourage the legislature to consider other additional measures that protect and prevent patients from the most harmful impacts of medical debt. These include protecting wages and assets, preventing lawsuits against patients for medical debt, or screening patients for charity care.

There is strong bipartisan support for action to protect consumers from medical debt and high healthcare costs. We thank you in advance for your consideration and urge your support of SB 3239.

Thank you.

Adam Zarrin
Director, State Government Affairs



House Committee on Health and Homelessness
Representative Della Au Belatti, Chair
Representative Jenna Takenouchi, Vice Chair

Hearing Date: Wednesday, February 28, 2024

ACS CAN SUPPORTS SB 3239 SD2: RELATING TO MEDICAL DEBT.

Cynthia Au, Government Relations Director – Hawai'i Guam
American Cancer Society Cancer Action Network

Thank you for the opportunity to **SUPPORT** SB 3239 SD2: RELATING TO MEDICAL DEBT which authorizes the Office of Wellness and Resilience to develop, implement, and execute a program to acquire and forgive outstanding medical debt. The American Cancer Society Cancer Action Network (ACS CAN) is the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society. We support fact-based policy and legislative solutions designed to eliminate cancer as a major health problem.

It's estimated that 8,670 people will be diagnosed with cancer in Hawai'i this year. Unanticipated medical costs contribute to the worry about affording cancer care.ⁱ Medical debt impacts many people with cancer, their caregivers and their families. ACS CAN has long fought for public policies – like access to comprehensive and affordable health insurance coverage – that reduce the likelihood or severity of that debt. People with cancer often bear significant health care costs because they can have substantial health care needs, are high utilizers of health care services, use many different providers, and sometimes require more expensive treatments. They also must pay many indirect costs, like transportation and lodging as well as losing wages due to unpaid time off or job loss, that add to their already heavy cost burden. In Hawai'i, patients located on the neighbor islands may have to travel to O'ahu to receive their cancer treatments.

Other research documents the negative effect medical debt has on people with cancer including housing concerns, strained relationships,ⁱⁱ and bankruptcy.ⁱⁱⁱ Delaying or forgoing care because of

cost, which is more common among people with medical debt, is associated with increased mortality risk among cancer survivors.^{iv} U.S. counties with higher levels of medical debt are also more likely to have significantly higher rates of cancer mortality.^v

Thank you for the opportunity to support this important bill. We urge the committee to pass SB 3239 SD1. Should you have any questions, please do not hesitate to contact Government Relations Director Cynthia Au at Cynthia.Au@Cancer.org or 808.460.6109.

ⁱ American Cancer Society Cancer Facts & Figures 2024 <https://www.cancer.org/content/dam/cancer-org/research/cancer-facts-and-statistics/annual-cancer-facts-and-figures/2024/2024-cancer-facts-and-figures-acf.pdf>

ⁱⁱ Banegas MP, Schneider JL, Firemark AJ, et al. The social and economic toll of cancer survivorship: a complex web of financial sacrifice. *J Cancer Surviv.* 2019;13(3):406-417. doi:10.1007/s11764-019-00761-1

ⁱⁱⁱ Ramsey SD, Blough DK, Kirchoff AC, et al. Washington Cancer Patients Found To Be At Greater Risk For Bankruptcy Than People Without A Cancer Diagnosis. *Health Aff (Millwood).* 2013;32(6):1143-1152. doi:10.1377/hlthaff.2012.1263

^{iv} Yabroff KR, Han X, Song W, Zhao J, Nogueira L, Pollack CE, Jemal A, Zheng Z. Association of Medical Financial Hardship and Mortality Among Cancer Survivors in the United States. *J Natl Cancer Inst.* 2022 Jun 13;114(6):863-870.

^v Xin Hu, Zhiyuan Zheng, Kewei Sylvia Shi, Robin Yabroff, and Xuesong Han. Association of medical debt and cancer mortality in the US. *Journal of Clinical Oncology* 2023 41:16_suppl, 6505-6505

TESTIMONY IN SUPPORT OF SB 3239, SD 2

TO: Chair Belatti, Vice Chair Takenouchi, & HLT Committee Members

FROM: Nikos Leverenz
Grants & Advancement Manager

DATE: March 11, 2024 (9:00 AM)

Hawai'i Health & Harm Reduction Center (HHRC) **strongly supports** SB 3239, SD 2. This bill requires the Office of Wellness & Resilience to design and implement a program to acquire and forgive outstanding medical debt.

[Income is the foremost determinant of health. As noted by a February 2024 brief by the Peterson-KFF Health System Tracker](#), medical debt “can happen to almost anyone in the United States, but this debt is most pronounced among people who are already struggling with poor health, financial insecurity, or both.” Many do not have enough liquid assets to meet deductibles or out-of-pocket maximums. Medical debt also disproportionately impacts adults living with disabilities (13% vs. 6%).

Regardless of income, health, disability, or financial status, “people with medical debt report cutting spending on food, clothing, and other household items, spending down their savings to pay for medical bills, borrowing money from friends or family members, or taking on additional debts.”

HHRC’s mission is to reduce harm, promote health, create wellness, and fight stigma in Hawai'i and the Pacific. We work with many individuals who are impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those relating to substance use and underlying mental health conditions. Many of our clients and participants have been deeply impacted by trauma, including histories of physical, sexual, and psychological abuse.

Thank you for the opportunity to testify on this measure.

SB-3239-SD-2

Submitted on: 3/12/2024 7:15:24 PM

Testimony for HLT on 3/13/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jackie Keefe	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Belatti, Vice Chair Takanouchi, and Members of the Committee on Health and Homelessness,

I am a resident of Lahaina and I am writing to express my support of SB3239 SD2. Please pass this bill to its next committee.

Thank you for your consideration.

Jackie Keefe

SB-3239-SD-2

Submitted on: 3/12/2024 8:18:34 PM

Testimony for HLT on 3/13/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

No one should go into debt in order to keep themselves healthy or to seek medical help. The fact that we in the U.S. allow the commodification of basic human rights like healthcare is a complete disgrace. We must achieve universal healthcare soon. In the meantime, we should use the state to acquire and erase medical debt using the Office of Wellness and Resilience.