OHIO STATE MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution No. 47 – 2025

Introduced by: Medical Student Section

Subject: Reducing the Burden of Medical Debt on Patients

Referred to: Resolutions Committee No. 2

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WHEREAS, 88 billion dollars of medical debt was in collections in the United States in 2021, accounting for 58% of all debt-collection entries on credit reports, by far the largest single source of debt[1]; and

WHEREAS, 4 in 10 people in the United States carry debt for medical or dental bills, with 59% of Americans experiencing healthcare debt in the last five years[2]; and

WHEREAS, almost 15% of Ohioans, or 1,760,000 people, have medical debt in collections, with a median debt of $607[3]; and

WHEREAS, medical debt disproportionately impacts women, people of color, the uninsured, and households earning less than 400% of the federal poverty level[3,4]; and

WHEREAS, individuals with medical debt were found to be at greater risk for worsening social determinants of health, including 2.2 greater odds of becoming food insecure and 2.95 greater odds for eviction or foreclosure[5]; and

WHEREAS, medical debt has a miniscule impact on hospital finances compared to that on patient finances, with debt collection contributing to less than 1% of total hospital operating revenue[6]; and

WHEREAS, healthcare debt makes up 32% of debt collection industry revenue, as debt collection agencies profit by purchasing medical debt from hospitals for very small percentages of its face value[7,8]; and

WHEREAS, several major cities in Ohio, including Akron, Toledo, Cincinnati, Cleveland, and Columbus, have passed medical debt relief initiatives, earmarking city funds to erase medical debt for low-income families[9-13]; and

WHEREAS, Ohio House Bill 49, which aimed to prohibit medical debt collectors from sharing or reporting any patient medical debt to a consumer reporting agency for one year after the patient's first bill, failed in the 2023-2024 legislative session[14]; and

WHEREAS, the Consumer Federal Protection Bureau finalized rules in January 2025 banning medical debt bills on credit reports[15]; and

WHEREAS, the AMA "opposes wage garnishments and property liens being placed on low-wage patients due to outstanding medical debt at levels that would preclude payments for essential food and housing" and supports other interventions addressing medical debt (Policy H-373.990); and therefore be it

RESOLVED, that the OSMA support policies that protect patients from negative consequences of medical debt, including, but not limited to, policies that:

a. Limit medical debt interest,
b. Limit wage garnishment due to medical debt,
c. Prohibit placing liens on homes due to medical debt,
d. Set minimum standards for hospital payment plans for patients,
e. Mandate instructions be given to every patient on how to pursue a healthcare facility's payment plan, payment forgiveness, and loan services, and
f. Establish conditions before a hospital can send a bill to collections.

Fiscal Note: $ (Sponsor)
$ 500+(Staff)

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Relevant OSMA Policy:

Policy 19 – 2020 – Out-of-Network Billing

1. The OSMA rescinds Policy 19 – 2010 (Lifting the Restrictions on Balance Billing).
2. The OSMA supports repeal of regulations currently in place that prohibit balance billing for physicians.
3. The OSMA adopts its own policy similar to AMA policy H-285.904, to read as follows:
1. The OSMA adopts the following principles related to unanticipated out-of-network care:
A. Patients must not be financially penalized for receiving unanticipated care from an out-of-network provider.
B. Insurers must meet appropriate network adequacy standards that include adequate patient access to care, including access to hospital-based physician specialties. Ohio regulators should enforce such standards through active regulation of health insurance company plans.
C. Insurers must be transparent and proactive in informing enrollees about all deductibles, copayments and other out-of-pocket costs that enrollees may incur.
D. Prior to scheduled procedures, insurers must provide enrollees with reasonable and timely access to in-network physicians.
E. Patients who are seeking emergency care should be protected under the "prudent layperson" legal standard as established in state and federal law, without regard to prior authorization or retrospective denial for services after emergency care is rendered.
F. Out-of-network payments must not be based on a contrived percentage of the Medicare rate or rates determined by the insurance company.
G. Minimum coverage standards for unanticipated out-of-network services should be identified. Minimum coverage standards should pay out-of-network providers at the usual and customary out-of-network charges for services, with the definition of usual and customary based upon a percentile of all out-of-network charges for the particular health care service performed by a provider in the same or similar specialty and provided in the same geographical area as reported by a benchmarking database. Such a benchmarking database must be independently recognized and verifiable, completely transparent, independent of the control of either payers or providers and maintained by a non-profit organization. The non-profit organization shall not be affiliated with an insurer, a municipal cooperative health benefit plan or health management organization.
H. Mediation and/or Independent Dispute Resolution (IDR) should be permitted in all circumstances as an option or alternative to come to payment resolution between insurers and providers.
2. The OSMA will advocate for the principles delineated in this policy for all health plans, including ERISA plans.
3. The OSMA will advocate that any legislation addressing surprise out of network medical bills use an independent, non-conflicted database of commercial charges.
4. The OSMA's delegation to the AMA submit a resolution at A-20 asking for this amendment to Item H in their policy.

Policy 12 – 2017 – Medical Price Transparency

1. The OSMA supports legislative efforts to develop medical price transparency which are congruent with the principles of price transparency found in AMA policies such as D-155.987 and CMS Report 4-A-15 on price transparency.

Relevant AMA Policy:

Exclusion of Medical Debt That Has Been Fully Paid or Settled H-373.996
Our AMA supports the principles contained in The Medical Debt Relief Act as drafted and passed by the US House of Representatives to provide relief to the American consumer from a complicated collections process and supports medical debt resolution being portrayed in a positive and productive manner.

Health Plan Payment of Patient Cost-Sharing D-180.979
Our AMA will: (1) support the development of sophisticated information technology systems to help enable physicians and patients to better understand financial obligations; (2) encourage states and other stakeholders to monitor the growth of high deductible health plans and other forms of cost-sharing in health plans to assess the impact of such plans on access to care, health outcomes, medical debt, and provider practice sustainability; (3) advocate for the inclusion of health insurance contract provisions that permit network physicians to collect patient cost-sharing financial obligations (eg, deductibles, co-payments, and co-insurance) at the time of service; and (4) monitor programs wherein health plans and insurers bear the responsibility of collecting patient co-payments and deductibles.

Patient Medical Debt H-373.990
Our American Medical Association encourages health care organizations to manage medical debt with patients directly, considering several options including but not limited to discounts, payment plans with flexibility and extensions as needed, or forgiveness of debt altogether, before resorting to third-party debt collectors or any punitive actions.
Our AMA supports innovative efforts to address medical debt for patients, including sliding-scale, interest-free payment plans before collection or litigation activities and public and private efforts to eliminate medical debt, such as purchasing debt with the intent of cancellation.
Our AMA supports amending the Fair Debt Collection Practices Act to include hospitals and strengthen standards within the Act to provide clarity to patients about whether their insurance has been or will be billed, which would require itemized debt statements to be provided to patients, thereby increasing transparency, and prohibiting misleading representation in connection with debt collection.
Our AMA opposes wage garnishments and property liens being placed on low-wage patients due to outstanding medical debt at levels that would preclude payments for essential food and housing.
Our AMA supports patient education on medical debt that addresses dimensions such as:

a. patient financing programs that may be offered by hospitals, physicians offices, and other non-physician provider offices;

b. the ramifications of high interest rates associated with financing programs that may be offered by a hospital, physician's office, or other non-physician provider's office;
c. potential financial aid available from a patient's hospital and/or physician's office; and
d. methods to reduce high deductibles and cost-sharing.