

NEWS BRIEF

Provided by: National Insurance Services

White House Unveils Plan to Ease Medical Debt Burden

The Biden-Harris Administration recently [announced](#) new steps intended to protect consumers and reduce the burden of medical debt on Americans. According to the White House, one-third of American adults currently have medical debt—the largest source of debt in collections. Medical debt is not just a financial issue, as it can also have adverse health effects. Research revealed that almost half of individuals with medical debt intentionally avoid seeking health care.

To help Americans deal with medical debt, the White House’s actions aim to:

- Hold medical providers and debt collectors accountable for harmful practices.
- Reduce the impact medical debt plays in determining credit access, opening up new opportunities for those with medical debt to buy a home or get a small business loan.
- Forgive the medical debt of over half a million low-income American veterans.
- Inform consumers of their rights in the complex medical billing landscape.

As far as next steps, the Consumer Financial Protection Bureau will soon release a report on medical billing consumer complaints and create a new enforcement initiative to prevent unlawful medical debt collection. The agency is also reviewing whether medical debt should be removed from consumer credit reports altogether.

The Department of Health and Human Services is requesting data from more than 2,000 medical providers on bill collection practices, financial product offerings and debt-buying practices. The government says it will use that information to

establish federal grants that discourage health care facilities from abusive billing practices.

The administration is also providing guidance to agencies, including the Department of Veteran Affairs and the Federal Housing Finance Agency, to eliminate medical debt as a factor for credit underwriting.

What This Means

These White House actions aim to reduce costs for consumers and come at a time when Americans are facing rising inflation—some of the highest price increases in four decades.

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“The president and I know that one of the biggest challenges facing working families today is the rising cost of living.”

- Vice President Kamala Harris

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As the White House pursues these initiatives, we will keep you apprised of any updates regarding medical debt. Contact your employer for additional resources.

