

AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution
(I-10)

Introduced by: Texas Delegation

Subject: Exclusion of Medical Debt That Has Been Fully Paid or Settled

Referred to: Reference Committee

1 Whereas, Medical debt is unpredictable because, unlike consumer debt, Americans do not get to
2 choose when accidents or illnesses occur, and
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4 Whereas, Our complex third-party payer system often results in patients owing physician practices
5 balances that may go unnoticed for weeks and months on end, and
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7 Whereas, Because medical debt collections are often in dispute or inconsistently reported, their
8 value in predicting a patient's future credit worthiness is questionable,
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10 Whereas, Medical debt that has been completely paid off or settled can still significantly damage a
11 patient's credit for up to seven years, and
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13 Whereas, A recent study performed in Texas indicated that 40-plus percent of consumers applying
14 for credit to purchase or refinance a home had at least one medical debt in collection on their report,
15 and
16
17 Whereas, Consumers can be denied credit or pay higher interest rates when buying a home or
18 obtaining consumer credit because of a medical debt in their credit report, and
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20 Whereas, Health care professionals increasingly are turning to outside collection agencies to help
21 secure payment from patients, and this damages the patient's credit because medical debts are
22 usually reported when they become assigned to collections, and
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24 Whereas, The Commonwealth Fund has found that medical bill problems or accrued medical debt
25 affects roughly 72,000,000 working-age adults in America, and
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27 Whereas, In 2007, 28,000,000 working-age American adults were contacted by a collection agency
28 for unpaid medical bills, and
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30 Whereas, The purpose of The Medical Debt Relief Act of 2009 is to exclude from consumer credit
31 reports, within 30 days, medical debt that has been fully paid or settled that had been characterized
32 as debt in collection for credit reporting purposes, and
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34 Whereas, Consumers wishing to improve their credit score would be motivated to pay off medical
35 debt first, as this could be cleared from their record in 30 days rather than seven years, and
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37 Whereas, With support from the Texas Medical Association, the U.S. House of Representatives
38 already has passed H.R. 3421, the Medical Debt Relief Act, with a bipartisan vote of 336-82, and
39 has sent the bill to the U.S. Senate, therefore be it
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41 RESOLVED, That our American Medical Association support the principles contained in The Medical
42 Debt Relief Act as drafted and passed by the U.S. House of Representatives to provide relief to the
43 American consumer from a complicated collections process and to support medical debt resolution
44 being portrayed in a positive and productive manner (Directive to Take Action).

1 **Relevant AMA Policy:**

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3 **H-373.999 Patient Advocacy/Protection Activities:** The AMA will continue to aggressively pursue
4 legislative, regulatory, communications and advocacy opportunities to identify and correct patient
5 care and access problems created by new health care delivery mechanisms. (BOT Rep. 55, A-96;
6 Reaffirmed: Rules and Cred. Cmt., I-97; Renumbered: CMS Rep. 7, I-05)

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8 **H-450.982 Patient Satisfaction and Quality of Care:** Our AMA believes that: (1) much may be
9 gained by encouraging physicians to be sensitive to the goals and values of patients; and (2) efforts
10 should be continued to improve the measurement of patient satisfaction and to document its
11 relationship, if any, to favorable outcomes and other accepted criteria of high quality. (CMS Rep. E,
12 A-89; Reaffirmed: Sunset Report, A-00)