

February 11, 2026

TO: Hawaii House Committee on Health

**RE: HB 2187- Relating to Health Care, Medical Debt Credit Reporting-
SUPPORT**

Chair and members of the committee,

I am Adam Zarrin, the Director of State Government Affairs for Blood Cancer United, formerly the Leukemia & Lymphoma Society. Blood Cancer United® is the largest global nonprofit focused on blood cancer patient support, research, and advocacy. The organization's mission is to cure blood cancer and improve the quality of life of all patients and their families.

We support House Bill 2187 (HB 2187).

Medical debt has become pervasive for families across America. 1 in 3 Americans has a personal experience with medical debt. This is mainly due to rising healthcare costs. Even with insurance, individuals face increasing out-of-pocket costs like deductibles and co-pays. For those with a chronic illness like a blood cancer, those costs pile up. For example, in the first year after diagnosis of acute leukemia, a patient can pay almost \$500,000 in medical bills.

Medical debt fundamentally differs from other types of debt—no one applies for or chooses to get sick or have a medical emergency. Medical billing is riddled with errors, often forcing individuals into collections or payment plans for bills they do not owe or that should have been covered by insurance.

We can protect patients from the most extraordinary types of collection actions. This bill will prohibit credit reporting of medical debt. On average, removing medical debt from a credit report increases an individual's credit score by 20 points. This is a common-sense and nonpartisan approach—having blood cancer should have no bearing on your creditworthiness.

To protect consumers, Hawaii should follow other states that have already passed similar laws or are considering them.

According to a white paper by VantageScore, removing medical debt from credit scores will not impact most consumers. Some (12 to 27%, depending on the specific VantageScore model) will experience an increase averaging 15 points. The number of individuals with a decreased credit score is negligible.

Blood Cancer United

Nevertheless, the VantageScore 3.0 and 4.0 models “maintain their effectiveness in rank ordering risk after these reporting changes.” In summary, removing medical debt from credit reports makes it easier for some to get credit, likely those with the most medical debt. However, it has little or no impact on the other consumers seeking or using credit.

We appreciate your consideration of this critical legislation. Please support HB 2187 to ensure that patients can move on with their lives without long-term financial stress caused by medical debt.



February 13, 2026 at 9:00 am
Conference Room 329

House Committee on Health

To: Chair Gregg Takayama
Vice Chair Sue L. Keohokapu-Lee Loy

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

Re: **Submitting Comments**
HB 2187, Relating to Health Care

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 health care 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 **submit comments** on this measure. We appreciate the legislature's focus on addressing the burden of medical debt and the downstream impacts that medical bills can have on patients and families, particularly in a high cost-of-living state like Hawaii. Hospitals and other health care providers routinely work with patients to establish payment plans, provide financial assistance, and connect individuals with available coverage options. These are all important, core functions that our members take on to ensure that individuals do not forego needed care because of potential financial burdens.

Providers also see firsthand how credit reporting tied to medical bills can add anxiety and uncertainty for patients at an already difficult time. Our members appreciate the approach in this measure and the clarity it provides around the scope of the reporting prohibition and related contractual requirements. We remain open to continued dialogue with policymakers and other stakeholders to ensure that patient protections are implemented in a way that is clear, practical, and workable for health care providers.

Thank you for the opportunity to provide our comments on this important measure.



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The Hawai'i State Legislature
House Committee on Health
Friday, February 13, 2026
Conference Room 329, 9:00 a.m.

LATE

TO: The Honorable Gregg Takayama, Chair
FROM: Keali'i S. López, State Director
RE: Support for H.B. 2187 Relating to Health Care

Aloha Chair Takayama and Members of the Committee:

My name is Keali'i López, and I serve as the State Director of AARP Hawai'i. On behalf of our 135,000 members statewide, thank you for the opportunity to testify in **strong support of H.B. 2187**. AARP is a nonprofit, nonpartisan, social impact organization dedicated to **empowering people fifty and older to choose how they live as they age**. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP Hawai'i strongly supports House Bill 2187, which would prohibit the reporting of medical debt to consumer credit bureaus. AARP policy emphasizes that credit reports must be accurate and fair, yet they **often contain errors and incomplete information that can harm consumers'** credit scores. Medical debt is particularly problematic because it is frequently the result of circumstances outside a person's control, and research shows it **has little predictive value in assessing creditworthiness**.

Older residents especially those on Medicare, **face mounting out-of-pocket medical costs** due to coverage gaps and chronic health conditions. Research cited by AARP shows that older adults **regularly encounter unexpected and inaccurate medical bills**, and many accumulate significant medical debt even with Medicare coverage.

For Hawai'i kūpuna living on fixed incomes, a single hospitalization or specialist treatment can **generate thousands of dollars in surprise charges**. When such bills are sent to collections—even during disputes—older adults can see their credit scores drop through no fault of their own. This may jeopardize:

- **Access to affordable housing**, including senior rental options
- Qualification for credit, including **emergency loans or credit cards**
- **Insurance rates**, which can be influenced by credit history
- Employment opportunities, where **credit checks are used in hiring** can unfairly lower credit scores and limit access to housing, loans, and economic stability.

H.B. 2187 Relating to Health Care
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House Bill 2187 is a **commonsense, consumer-protective measure** that reflects AARP's long-standing policy priorities for **accuracy, fairness, and accountability** in credit reporting. Eliminating the reporting of medical debt will **protect older Hawai'i residents from unjust financial penalties** resulting from unavoidable medical needs and billing errors.

AARP Hawai'i respectfully urges the **House Committee on Health to H.B 2187** to strengthen **financial security and fairness for Hawai'i's residents** across the state. Mahalo for your continued commitment to addressing Hawai'i's negative medical debt reporting consequences on Hawai'i consumers, especially older adults.

LATE



HAWAII APPLESEED
CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
HB 2187 – Relating to Health Care
House Committee on Health
Thursday, February 13, 2026, at 9:00 AM

Dear Chair Takayama, Vice Chair Keohokapu-Lee Roy, and members of the Committee:

Thank you for the opportunity to provide testimony in support of HB 2187, which would prohibit health care facilities, providers, and emergency medical services from furnishing medical debt to consumer credit reporting agencies, and prohibit credit reporting agencies from reporting or maintaining medical debt in a consumer’s credit file.

Hawai‘i Appleseed advocates for economic justice and affordability so that all people in Hawai‘i can meet their basic needs and build long-term financial stability. Medical debt undermines this goal and continues to harm families across our state.

As the Legislature correctly finds, medical debt has grown dramatically nationwide, and while Hawai‘i’s rates are lower than the national average, the burden here is uniquely severe due to our high cost of living. One in ten Hawai‘i residents has medical debt on their credit report. For families already struggling with housing costs, food prices, and transportation, a single medical bill—often unexpected and unavoidable—can trigger lasting financial harm.

Medical debt is fundamentally different from other forms of debt. It is rarely the result of consumer choice or financial irresponsibility. Instead, it arises from illness, injury, emergencies, or gaps in insurance coverage. Yet once medical debt appears on a credit report, it can lower credit scores and create barriers to housing, employment, transportation, and even access to affordable credit. In this way, medical debt compounds hardship and can lock families into cycles of instability that have nothing to do with their ability to manage money.

By prohibiting medical providers and emergency services from furnishing medical debt to credit reporting agencies, HB2187 ensures that health care crises do not permanently damage a person’s financial future. The bill also appropriately voids any medical debt reported in violation of these protections and prevents consumer credit reporting agencies from reporting or maintaining medical debt altogether.

Importantly, this approach is not untested. Other states, including California, Illinois, and New York, have already taken action to limit or prohibit the reporting of medical debt, recognizing that credit reports should reflect financial behavior—not health emergencies. Hawai‘i should follow suit and take steps that reflect our values of fairness, compassion, and shared responsibility.

Preventing medical debt from appearing on credit reports does not eliminate a provider's ability to seek payment, nor does it excuse debt. Instead, it ensures that people are not punished financially for needing medical care. At a time when residents are being asked to shoulder rising costs across nearly every aspect of daily life, this bill is a necessary and reasonable consumer protection.

HB2187 advances economic justice, supports affordability, and helps ensure that access to health care does not come at the expense of long-term financial security. For these reasons, Hawai'i Appleseed urges the Committee to pass HB2187. Thank you for considering our testimony.



DATE: February 12, 2026

TO: Representative Gregg Takayama
Chair, Committee on Health

FROM: Chris Delaunay / Mihoko Ito

RE: **H.B. 2187 - Relating to Health Care**
Hearing Date: Friday, February 13, 2026, at 9:00 a.m.
Conference Room: 329

LATE

Aloha Chair Takayama, Vice Chair Lee Loy, and Members of the Committee:

We offer this testimony on behalf of the Consumer Data Industry Association (CDIA). CDIA is the voice of the consumer reporting industry, representing consumer reporting agencies including the nationwide credit bureaus, regional and specialized credit bureaus, background check companies, and others. CDIA promotes the responsible use of consumer data to help individuals achieve their financial goals while enabling businesses, governments, and nonprofit organizations to manage risk and prevent fraud.

CDIA respectfully **opposes** H.B. 2187, which 1) prohibits health care facilities, health care providers, and emergency medical services from furnishing medical debt to a consumer credit reporting agency and 2) prohibits consumer credit reporting agencies from reporting or maintaining medical debt information in the file on a consumer.

While CDIA supports the goal of assisting consumers facing unexpected medical expenses, suppressing medical debt from credit reports may create unintended consequences that ultimately increase risk to consumers, lenders, and the broader credit marketplace in Hawaii. In addition, provisions requiring nonreporting to credit reporting agencies raise significant preemption concerns under the federal Fair Credit Reporting Act (FCRA).

Substantial reforms addressing medical debt have in recent years been implemented nationwide. Since July 1, 2022, paid medical collection debt has no longer been included on consumer credit reports. Additionally, the waiting period before unpaid medical collection debt may appear on a consumer's report was extended from six months to one year, providing consumers with additional time to resolve insurance matters or payment issues. Beginning in 2023, nationwide consumer credit reporting agencies also ceased including medical collection debt under \$500 on credit reports. These changes reflect meaningful efforts to address the unique challenges associated with medical debt while maintaining accurate and reliable credit reporting.

We note that provisions in this bill requiring nonreporting to consumer credit reporting agencies implicate federal preemption under the Fair Credit Reporting Act, including 15 U.S.C. § 1681t(b)(1)(F), which preempts state requirements relating to the responsibilities of furnishers of information to consumer reporting agencies. Congress established uniform national standards in this area to ensure consistency in credit reporting practices across the country.

Legislation that suppresses medical debt reporting entirely could reduce the completeness and reliability of credit reports. When lenders lack a full and accurate picture of a consumer's financial obligations, risk assessments become less precise. This may result in reduced access to credit or higher borrowing costs for consumers in Hawaii compared to those in neighboring states.

A safe and sound credit economy depends on accurate and reliable information. Limiting reporting can decrease the predictive value of credit files, introduce greater uncertainty into lending decisions, and potentially restrict credit availability — outcomes that could disproportionately impact the very consumers the legislation seeks to assist.

CDIA appreciates the legislature's commitment to supporting consumers and stands ready to work collaboratively with policymakers and stakeholders on solutions that protect consumers while preserving the stability and effectiveness of the credit reporting system.

For these reasons, we respectfully urge the committee to hold this bill because it would prohibit the reporting of medical debt to consumer reporting agencies.

Thank you for the opportunity to submit testimony on this measure.

HB-2187

Submitted on: 2/11/2026 7:15:46 PM

Testimony for HLT on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Deanna Espinas	Individual	Support	Written Testimony Only

Comments:

Support for this measure which protects Hawaii residents from having medical debt reported to consumer credit reporting agencies.

Valerie Chang
P O Box 240053
Honolulu, HI 96824
starion06@yahoo.com

February 11, 2026

Representative Takayama, Chair
Representative Keohokapu-Lee Loy, Vice Chair
Members of Health Committee

RE: Testimony in Strong Support of HB2187, Relating to Healthcare

Dear Chair Takayama, Vice Chair Keohokapu-Lee Loy, and members of the Health Committee:

I urge this committee to vote in favor of HB2187 and pass it out of committee so it can become law and relieve people of Hawaii from the crushing consequences of medical debt. This can be a major problem for many people in our state and the legislature should be applauded for trying to address this issue.

As someone who has worked for over two decades in the health advocacy space locally and nationally, I have heard firsthand how much people have been overwhelmed by medical debt—in their prescription drug costs, hospitalizations, and other ongoing care needs. To have the debt be reported and follow patients and families around for years will further burden those already burdened by health problems. Similar protections are already in place in California, Illinois and New York. Hawaii residents deserve this protection!

Again, I strongly urge this committee to vote in favor of HB2187 and pass it out of committee so it can become law and help protect Hawaii's people from the long-lasting and crushing consequences of medical debt.

Very truly yours,

Valerie Chang

HB-2187

Submitted on: 2/11/2026 9:22:18 PM

Testimony for HLT on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Tony Velasco	Individual	Support	Written Testimony Only

Comments:

Am in support

HB-2187

Submitted on: 2/11/2026 10:20:40 PM

Testimony for HLT on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Larry Veray	Individual	Support	Written Testimony Only

Comments:

Totally support HB2187.

HB-2187

Submitted on: 2/11/2026 11:36:11 PM

Testimony for HLT on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ted Meehan	Individual	Support	Written Testimony Only

Comments:

HB 2187 is an important initiative to ensure individuals who may run into regarding medical cost, do not have these issues reported to credit bureau agencies.

Please support HB 2187. Thank you.

Ted Meehan

HB-2187

Submitted on: 2/12/2026 6:41:55 AM

Testimony for HLT on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Noelle Lindenmann	Individual	Support	Written Testimony Only

Comments:

Dear Chair, Vice Chair, and Committee Members,

I am submitting testimony today in strong support of HB2187.

This bill will prevent medical debt from appearing on credit reports and will also ban credit agencies from maintaining medical debt information. Illnesses and medical emergencies are usually unexpected and frequently financially overwhelming. Reporting medical debt to credit agencies can have negative impacts on housing, loan approvals, future employment opportunities, and would compromise medical privacy.

Mahalo for this opportunity to share testimony.

Noelle Lindenmann, Kailua-Kona

LATE

HB-2187

Submitted on: 2/12/2026 10:29:37 AM

Testimony for HLT on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Daniel C. Smith	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members:

I believe that medical debt shouldn't wreck your credit. One unexpected hospital bill could follow you for years—dragging down your credit even if you're making payments. With Hawai'i's high cost of living, medical debt hits local families especially hard.

Good to stop health care providers from reporting medical debt to credit agencies—and prevent credit agencies from including it on our credit reports. I am told that similar protections are already in place in California, Illinois, and New York.

Please pass the bill.

Daniel C. Smith

Pearl City

LATE

HB-2187

Submitted on: 2/12/2026 12:32:41 PM

Testimony for HLT on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Terri Yoshinaga	Individual	Support	Written Testimony Only

Comments:

I support this bill.

LATE

HB-2187

Submitted on: 2/12/2026 2:21:33 PM

Testimony for HLT on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Laura Jennings	Individual	Support	Written Testimony Only

Comments:

As a retired physician and kupuna, I strongly support this measure. Medical debt constitutes the number #1 cause of bankruptcy for Americans. Too mag citizens are unfairly subjected to lower credit scores due to difficulty in paying their medical bills, resulting in more difficulty in renting, home ownership and buying needed goods, such as cars. Credit agencies should not be allowed to consider medical debt when determining anyone's credit score!

LATE

HB-2187

Submitted on: 2/13/2026 8:41:00 AM

Testimony for HLT on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Alanna Nichole Dooley	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of HB2187

Relating to Medical Debt and Consumer Credit

Submitted by: Alanna Dooley

Position: Support

Chair, Vice Chair, and Members of the Committee,

I respectfully submit testimony in strong support of HB2187.

As a person living with Type 1 diabetes, I have experienced firsthand how medical expenses can accumulate quickly despite consistent insurance coverage and responsible care management. In addition, through my work as a student and temporary employee in healthcare and medical billing, I have seen how medical debt often arises not from financial irresponsibility, but from the complexity, timing, and unpredictability of the healthcare payment system itself.

Medical debt is fundamentally different from other forms of consumer debt. Patients do not choose when they need care, cannot shop in emergencies, and often do not know the full cost of services until weeks or months later. When these unavoidable costs are reported to credit agencies, the consequences can extend far beyond healthcare—affecting access to housing, employment, transportation, and long-term financial stability.

I am currently covered by Medicaid, which ensures that my essential care needs are met. That experience has also highlighted how uneven financial protections can be across the healthcare system. Many working individuals and families who carry private insurance, pay premiums, and make good-faith efforts to manage their medical bills can still face significant out-of-pocket costs that ultimately become medical debt. When those unavoidable expenses are then reported to credit agencies, it creates lasting financial harm for people who are actively participating in the system and attempting to meet their obligations.

HB2187 recognizes that medical debt is a health-related burden rather than a reliable measure of creditworthiness. Hawai‘i would be joining a growing number of states that have taken steps to limit or eliminate the reporting of medical debt to consumer credit agencies, reflecting a broader policy consensus that illness or injury should not result in long-term credit damage.

At the same time, medical debt reporting is a downstream symptom of broader structural pressures. High out-of-pocket costs, insurance coverage gaps, delayed and complex billing processes, and limited price transparency all contribute to the accumulation of debt. Providers themselves face significant financial and administrative strain, balancing substantial medical education debt with the ongoing burden of payer-specific documentation and authorization requirements necessary to secure reimbursement. These system-wide pressures increase costs and complexity for patients and providers alike.

While HB2187 cannot address all of these underlying drivers, it represents a meaningful and compassionate step toward reducing the secondary harm experienced by patients navigating an already difficult system. Policies that reduce financial distress and administrative burden ultimately support better health outcomes, more consistent engagement in care, and a more stable healthcare environment overall.

I strongly support HB2187 and appreciate the Legislature’s recognition that access to necessary medical care should not result in long-lasting credit consequences.

Mahalo for the opportunity to provide testimony.

Respectfully,

Alanna Dooley