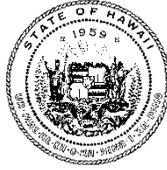


JOSH B. GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



BONNIE KAHAKUI
ADMINISTRATOR

DAYNA OMIYA
ASSISTANT ADMINISTRATOR

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
STATE PROCUREMENT OFFICE

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state_procurement_office@hawaii.gov
<http://spo.hawaii.gov>

TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
WAYS AND MEANS
March 3, 2026, 10:17 a.m.

SENATE BILL 3025, SD1
RELATING TO MEDICAL DEBT

Chair Dela Cruz, Vice Chair Moriwaki, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 3025, SD1. The State Procurement Office (SPO) appreciates that the Senate Draft 1 of this bill reflects comments we made in previous testimony clarifying that the Office of Wellness and Resilience is required to procure and contract with an entity in accordance with Chapter 103D or 103F, Hawaii Revised Statutes (HRS), as applicable.

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



**STATE OF HAWAII
OFFICE OF WELLNESS AND RESILIENCE
OFFICE OF THE GOVERNOR
415 S. BERETANIA ST. #415
HONOLULU, HAWAII 96813**

Testimony on S.B. 3025 SD1

RELATING TO MEDICAL DEBT

Senator Donovan Dela Cruz, Chair
Senator Sharon Moriwaki, Vice Chair
Senate Committee on Ways and Means

March 3, 2026, at 10:17 a.m.; Room Number: 211

The Office of Wellness and Resilience (OWR) **STRONGLY SUPPORTS** S.B. 3025 SD1,
Relating to Medical Debt.

Structure of Medical Debt Acquisition and Forgiveness Program

S.B. 3025 SD1 requires and appropriates funds for the OWR to develop, implement, and administer a medical debt acquisition and forgiveness program to acquire and forgive outstanding medical debt for certain individuals in the State. The proposed measure will allow the OWR to contract with organizations like, Undue Medical Debt, which run programs to administer the medical debt acquisition and forgiveness.

These types of programs strengthen communities by erasing financially burdensome medical debt and use funds to buy medical debt in large, bundled portfolios, pinpointing the debt of those most in need. For example, an organization can buy debt at a steep discount; each \$1 can erase about \$100 of medical debt. Once the debt is deleted, beneficiaries receive letters that their medical debt is no longer owed, without being taxed, nor penalties or strings attached.

Medical Debt and Well-being

Unlike most other debt, medical debt is rarely voluntary—people do not choose to get sick or injured. It often arises unexpectedly and can exceed a person’s ability to pay, damaging credit, limiting access to housing and jobs, and causing people to delay needed care.¹ Medical debt often results from unexpected illnesses or emergencies, not personal choice. It can lead to serious consequences, such as damaged credit, difficulty finding housing or jobs, delayed or avoided medical care, and emotional stress and anxiety.^{2 3}

In early 2024, in partnership with the College of Social Science’s Health Policy Initiative at the University of Hawai’i at Mānoa, the OWR conducted the Hawai’i Quality of Life and Workplace Wellness Survey. Approximately 19% of survey respondents reported currently owing medical debt totaling \$500 or more. Moreover, 20% of participants delayed their medical care due to the cost.⁴ One of the most alarming insights from the survey show that having higher amounts of current total medical debt predicted higher numbers of mentally and physically unhealthy days in the past month.

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. A recent ALICE report shows that four in 10 residents in our state are just getting by or struggling to make it, with the report sharing that 37% of families surveyed stated that someone in their family is considering leaving the state.⁵

The kuleana of OWR is to strengthen our state service systems to create a trauma-informed Hawai’i. S.B. 3025 SD1 allows an important opportunity for OWR to help break down barriers that are impacting the well-being of families in our state.

Thank you for the opportunity to testify on this important measure.

Tia L.R. Hartsock, MSW, MSCJA
Director, Office of Wellness & Resilience

¹ [https://library.nclc.org/article/latest-keeping-medical-debt-out-credit-reports#:~:text=About%2015%20million%20consumers%20have,consumer%20reporting%20agencies%20\(CRAs\).](https://library.nclc.org/article/latest-keeping-medical-debt-out-credit-reports#:~:text=About%2015%20million%20consumers%20have,consumer%20reporting%20agencies%20(CRAs).)

² Lopes, Lunna, et al. 'Health Care Debt In The U.S.: The Broad Consequences Of Medical And Dental Bills', 16 June, 2022, [Health Care Debt In The U.S.: The Broad Consequences Of Medical And Dental Bills - Main Findings - 9957 | KFF](#)

³ Moon, et al. 'Medical Debt and the Mental Health Treatment Gap Among US Adults', 17 June, 2024, [Medical Debt and the Mental Health Treatment Gap Among US Adults | Health Care Economics, Insurance, Payment | JAMA Psychiatry | JAMA Network](#)

⁴ Learn more at Hawai’i Quality of Life and Well-Being Dashboard [QOL Dashboard - Public | Display](#)

⁵ Hay, Jeremy. 'Struggling to Survive: Hawai’i Residents Take on Debt, Thing About Leaving', 14 January, 2025, [Struggling To Survive: Hawai’i Residents Take On Debt, Think About Leaving - Honolulu Civil Beat](#)



March 3, 2026 at 10:17 am
Conference Room 211

Senate Committee on Ways and Means

To: Chair Donovan M. Dela Cruz
Vice Chair Sharon Y. Moriwaki

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

Re: **Testimony in Support**
SB 3025 SD 1, 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 seeks to implement a 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. By bringing together providers, policymakers, and experienced national partners, Hawaii can explore creative, data-driven approaches that meaningfully reduce financial stress for families while strengthening trust in our health care system. With the right structure and strong partnership, this initiative has the potential to be a positive, forward-looking model that supports both patients and providers.

The legislature has been a leader in ensuring that residents have access to quality, affordable care. 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.



holomua

COLLABORATIVE

OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

BOARD MEMBERS

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827 Fort Street Mall, 2nd Floor
Honolulu, Hawaii 96813

+1 (808) 542-4089
info@holomua collaborative.org

HolomuaCollaborative.org

Page 1 of 2

Committee: Senate Committee on Ways and Means
Bill Number: SB3025 SD1, Relating to Medical Debt
Hearing Date and Time: March 3, 2026 at 10:17am (Room 211)
Re: Testimony of Holomua Collaborative in support

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

We write in support of SB3025 SD1, Relating to Medical Debt. This bill requires the Office of Wellness and Resilience to design, implement, and administer a Medical Debt Acquisition and Forgiveness Program to acquire and forgive medical debt owned by households with an income of less than 400% of the federal poverty level or with a medical debt balance that is 5% or more of the household income. As noted in the bill's preamble, medical debt is a social determinant of health because patients with burdensome medical debt often delay the care they need, may experience problems obtaining employment and housing, have difficulty escaping poverty, and experience mental stress.

Our organization is devoted to finding ways to keep all local working families in Hawai'i by making sure they can afford to stay. Eliminating medical debt for local families who cannot afford to pay it would help do just that. In a recent survey of 3200 local residents:

- 30% spend more than 12% of their income on healthcare, compared to 16% in 2024.
- 73% of respondents expressed some level of worry about unanticipated healthcare expenses they cannot afford, with 14% worrying almost all the time that they would not be able to pay for such expenses.¹

The way this program addresses this problem makes economic sense, not just for the people whose debt will be forgiven, but also for the broader Hawai'i economy. According to reporting from *Governing* magazine, “[a]cquiring medical debt is relatively cheap: hospitals that sell medical debt portfolios do so for just pennies on the dollar, usually to investors on the secondary market. The purchase price is so low because hospitals and debt buyers alike know that medical debt is the hardest form to collect. Nearly 60 percent of all debt held by collection agencies is medical debt owed by some 43 million households, according to the Consumer Financial Protection Bureau.”²

This is why an increasing number of jurisdictions across the country have adopted the model. These jurisdictions have been partnering with nonprofits that purchase debt at pennies on the dollar and then forgive it. There are no administrative hurdles for community members to overcome. Recipients are simply sent a letter informing them their debt has been forgiven. In addition to the direct health and economic benefits for the families that are positively impacted, there are systemic benefits to the local economy, including:

¹ 2025 Affordability Survey, Holomua Collective.

² “These Local Governments are Using Federal Aid to Cancel Medical Debt,” December 12, 2022 in *Governing* Magazine (<https://www.governing.com/finance/these-local-governments-are-using-federal-aid-to-cancel-medical-debt>).

- For some, medical debt may have prevented them from seeking necessary healthcare services due to financial constraints. By forgiving medical debt, people may be more likely to seek preventive care, treatments, or procedures they had previously delayed. This can lead to healthier communities, increased productivity, and reduced healthcare costs in the long term.
- Hospitals often must write off a portion of their accounts receivable as bad debt when patients are unable to pay. By proactively forgiving medical debt, hospitals can avoid or minimize write-offs rather than keeping them on their books for 5 to 10 years, thereby improving their financial position.
- Medical debt forgiveness can improve households' financial stability, reducing stress and uncertainty about their financial situation. This stability can lead to increased confidence in making purchases, investments, and big-ticket items like homes or vehicles, further boosting local economic activity.
- When medical debt is forgiven, people have more disposable income for other expenses. This can lead to increased spending on goods and services within their communities, supporting local businesses such as restaurants, retail stores, and service providers.
- Medical debt forgiveness can also have positive effects on local credit markets. When medical debt is forgiven, it can improve individuals' credit scores and financial profiles. This can lead to greater access to credit for individuals and businesses in the community, facilitating investment and economic growth.

Finally, we note that this program only benefits people who—realistically—will never be able pay these debts without submerging themselves in financial poverty. The program established by this bill will only buy debt to forgive that meets at least one of two qualifications for relief: (1) those earning four times (4x) or below the federal poverty level; or (2) those whose medical debt is 5% or more of their annual income.³ In other words, this is not a handout. It is a safety net.

Forgiving medical debt can provide direct financial relief to individuals while also generating positive ripple effects throughout local economies, ultimately contributing to economic growth and stability.

We appreciate the opportunity to testify in support of SB3025 SD1.

Sincerely,

Matthew Prellberg
Policy and Communications Director

³ <https://unduemedicaldebt.org/solutions-to-buy-medical-debt/>



fightcancer.org

Senate Committee on Ways and Means
Senator Donovan Dela Cruz, Chair
Senator Sharon Moriwaki, Vice Chair

Hearing Date: Tuesday, March 3, 2026

ACS CAN SUPPORTS SB 3025 SD1: 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 3025 SD1: RELATING TO MEDICAL DEBT which requires the Office of Wellness and Resilience to develop, implement and administer 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 about 9,400 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 committees to pass SB 3025 SD1 and to take further action that would prevent patients from incurring medical debt. We look forward to continuing to work with you to make health care more affordable and prevent residents of Hawai'i with cancer from experiencing medical debt as a result of necessary cancer treatment by addressing the upstream causes of medical debt. 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



ALOHACARE

To: The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair
Senate Committee on Ways and Means

From: Paula Arcena, External Affairs Vice President
Mike Nguyen, Director of Public Policy
Maria Rallojey, Public Policy Specialist

Hearing: Tuesday, March 3, 2026, 10:17am, Conference Room 211

RE: **SB3025 SD1 Relating to Medical Debt**

AlohaCare appreciates the opportunity to provide testimony in **support** of **SB3025 SD1** as a member of the Healthcare Safety Net Coalition. This measure would require the Office of Wellness and Resilience to develop, implement, and administer a Medical Debt Acquisition and Forgiveness Program to acquire and forgive outstanding medical debt for certain individuals in the state beginning with the medical debt of the 50,016 Hawai'i residents that has already been acquired by medical debt and consolidation organizations.

The Healthcare Safety Net Coalition is a coalition of safety net-serving organizations advocating for better laws and policies impacting the healthcare of the state's safety net populations. Through a combination of policy advocacy, collaboration with community organizations, and engagement with government agencies, the Healthcare Safety Net Coalition works with and for low-income and underserved communities to improve healthcare outcomes, quality and experiences for the safety-net population.

AlohaCare is committed to whole-person care by addressing key social determinants of health like economic stability. Affordability is a healthcare issue. Hawai'i's cost of living is among the highest in the country, and many families are struggling to afford their basic needs. With the upcoming implementation of new federal H.R. 1 mandates, such as community engagement requirements and frequent eligibility redetermination within the Medicaid program nationally, the Congressional Budget Office estimates that this will lead to a significant increase in uninsured individuals¹. In Hawai'i, the estimated Medicaid coverage loss ranges from approximately 19,000 to 38,000 individuals. Meanwhile, recent data suggest that up to 50,000 Hawai'i residents owe roughly \$91 million in medical debt. The combination of new H.R. 1

¹ It is projected that 10 million people in the country will be uninsured by 2034 2025, July 21. *CBO's Estimate of Annual Changes in the Number of People Without Health Insurance Under Title VII, Public Law 119-21*. Congressional Budget Office



requirements, the expiration of enhanced premium tax credits, and other recent federal policy changes will likely worsen this medical debt problem.

For these reasons, AlohaCare supports this measure to prevent medical debt from delaying care, obtaining housing and employment, and making sure that a health emergency does not result in lasting damage to economic opportunity.

Mahalo for this opportunity to testify in **support of SB3025 SD1.**

SB-3025-SD-1

Submitted on: 3/1/2026 2:26:48 PM

Testimony for WAM on 3/3/2026 10:17:00 AM

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

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

I am writing in **strong support** of SB3025, which requires the Office of Wellness and Resilience to develop, implement, and administer a Medical Debt Acquisition and Forgiveness Program. This bill builds on years of legislative work and offers a direct, practical solution to a crushing burden carried by tens of thousands of our neighbors.

The Problem: Medical Debt Is a Health Crisis

Medical debt is not just a financial issue—it is a health issue. Individuals with debt are **three times more likely to have mental health conditions**, including anxiety, stress, or depression. The burden falls disproportionately on those already vulnerable: people with disabilities, individuals in worse health, lower-income households, and the uninsured.

Yet despite Hawai‘i's expansion of Medicaid through the Affordable Care Act, numerous households remain uninsured or underinsured. They incur debt from out-of-pocket costs for treatments not covered by insurance plans, and they are financially burdened by increased cost-sharing. This debt follows them for years, damaging credit, limiting housing options, and creating impossible choices between paying medical bills and putting food on the table.

What SB3025 Does

SB3025 takes a targeted, efficient approach to this crisis. It requires the Office of Wellness and Resilience to develop a program to acquire and forgive outstanding medical debt, beginning with the medical debt that has already been acquired by medical debt and consolidation organizations for 50,000 Hawai‘i residents. This is not a hypothetical future problem—the debt exists, it has been acquired, and it is ready to be forgiven.

The bill builds on extensive legislative groundwork. In 2024, the Legislature considered SB3239, which would have established a medical debt forgiveness pilot program. That bill received testimony in support from the Office of Wellness and Resilience, The Queen's Health System, the Healthcare Association of Hawaii, Aloha United Way, the American Cancer Society Cancer Action Network, and many others. The committees recognized that "medical debt can take a serious toll on a person's mental and physical well-being" and that it is "appropriate for the State to help alleviate this financial burden."

That bill evolved through multiple versions—from a pilot program, to a permanent program, to a working group to study feasibility. SB3025 now takes the next logical step: moving from study to action, from feasibility to implementation.

A Proven Model

The approach in SB3025 is not experimental. Organizations like RIP Medical Debt have demonstrated that acquiring and forgiving medical debt in bulk is cost-effective and life-changing. For every dollar contributed, they can often forgive 10 dollars or more in debt by purchasing portfolios at deep discounts. The 2024 legislation specifically contemplated contracting with entities with "demonstrated experience partnering with hospitals and health systems to acquire and forgive outstanding medical debt." SB3025 operationalizes that vision.

Who Would Benefit

The 50,016 residents whose debt has already been acquired represent real people—our family members, our neighbors, our coworkers. They are:

- Working families hit by an unexpected emergency room visit;
- Kūpuna on fixed incomes struggling with medication costs;
- Individuals with chronic conditions requiring ongoing care;
- Parents of children with complex medical needs.

Forgiving their debt would provide immediate financial relief and remove a barrier to economic stability and peace of mind.

The Bigger Picture

This bill also aligns with other state efforts to address health-related financial burdens. Gov. Green's Healthcare Education Loan Repayment Program (HELP) has already provided debt relief to hundreds of health care professionals, helping to keep providers in Hawai'i and address our physician shortage. SB3025 extends the same principle of debt relief to patients themselves, recognizing that the cost of care should not be a lifetime sentence of financial insecurity.

The Office of Wellness and Resilience, established to address exactly these kinds of cross-cutting challenges, is the appropriate home for this program. The bill requires annual reports to the Legislature, ensuring transparency and accountability. And by appropriating funds, it provides the resources needed to make forgiveness a reality.

Conclusion

For years, this Legislature has studied medical debt, heard testimony from impacted residents, and worked toward a solution. SB3025 is the culmination of that work. It offers a clear, practical, and compassionate path forward: forgive the debt that has already been acquired, and establish a program to continue this work.

I urge this committee to pass SB3025 and bring relief to 50,016 Hawai'i residents.

Mahalo for the opportunity to testify.



HIPHI Board

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HIPHI Initiatives

Coalition for a
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Community-Based Research &
Evaluation

Community Health
Worker Initiatives

COVID-19 Response

Environmental Health

Hawai'i Drug & Alcohol-Free Coalitions

Hawai'i Farm to School Network

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective/Healthy Aging &
Community Living

Public Health Workforce Development

Date: March 1, 2026

To: Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair
Members of the Senate Committee on Ways and Means

RE: Support for SB 3025 SD1, Relating To Medical Debt

Hrg: March 3, 2026, at 10:17 AM, Conference Room 211

The Hawai'i Public Health Institute,¹ **supports SB 3025 SD1**, relating to medical debt. This bill requires the Office of Wellness and Resilience to develop, implement, and administer a Medical Debt Acquisition and Forgiveness Program to acquire and forgive medical debt owed by certain households in the State.

Medical debt is a major financial encumbrance to local families. Eliminating medical debt will provide economic relief to those who are struggling under the weight of healthcare costs, especially in light of Hawai'i's high cost of living.

The Medical Debt Burden

People in the United States owe at least \$220 billion in medical debt, with approximately 14 million people (6% of adults) owing over \$1,000 in medical debt and about 3 million people (1% of adults) owing more than \$10,000.²

A 2022 KFF Health Care Debt Survey found that 41% of adults currently have some debt caused by medical or dental bills. The survey also found that a third of those with healthcare debt (35%) said that it has negatively affected their credit score. An additional 3% of respondents said that it has caused them to declare personal bankruptcy.³ Furthermore, KFF's analysis showed that medical debt disproportionately impacts women, racial minorities, and low-income households (below \$40,000 in annual earnings).

Medical Debt Relief

In response to the growing medical debt crisis, multiple states have launched debt relief programs designed to prevent the accumulation of medical debt, limit coercive debt collection practices, and purchase and eliminate medical debt. New Jersey, the first state to announce a statewide initiative to tackle medical debt, partnered with the

¹ Hawai'i Public Health Institute's mission is to advance health and wellness for the people and islands of Hawai'i. We do this through expanding our understanding of what creates health of people and place, fostering partnerships, and cultivating programs to improve policies, systems, and the environments where people live, learn, work, age, and play.

²<https://www.kff.org/health-costs/issue-brief/the-burden-of-medical-debt-in-the-united-states>

³<https://www.kff.org/report-section/kff-health-care-debt-survey-main-findings>



organization Undue Medical Debt to commit \$10 million toward canceling healthcare debt for tens of thousands of residents.⁴ Similarly, Connecticut announced the erasure of nearly \$30 million in medical debt for 23,000 residents in 2024.⁵

Twenty thousand people in Hawai'i, 2.3% of local families, carry health-related debt.⁶ Sixteen percent of residents spend more than 12% of their income on healthcare, showing the need to enact programs that prevent the accumulation of medical debt for island households.⁷

We hope you will pass SB 1040 to prevent medical debt from continuing to undermine the financial security of our state's hardworking 'ohana.

Mahalo,

A handwritten signature in black ink that reads 'Kris Coffield'.

Kris Coffield
Policy and Advocacy Associate

⁴ <https://www.njspotlightnews.org/2023/10/op-ed-nj-takes-lead-on-addressing-medical-debt>

⁵ https://portal.ct.gov/governor/news/press-releases/2024/12-2024/governor-lamont-announces-nearly-23k-residents-will-have-30-million-in-medical-debt-erased?language=en_US

⁶ <https://www.healthsystemtracker.org/brief/the-burden-of-medical-debt-in-the-united-states>

⁷ <https://holomuacollective.org/survey/>



Statement of
Meli James and Brittany Heyd
Cofounders
Mana Up

SB3025 SD1, Relating to Medical Debt

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

We support SB3025 SD1, which requires the Office of Wellness and Resilience to design, implement, and administer a Medical Debt Acquisition and Forgiveness Program to acquire and forgive certain medical debt in the state.

Mana Up is a statewide initiative that provides entrepreneurs in Hawai'i with the resources and tools to grow their businesses and scale globally. As these entrepreneurs continue to grow, they also contribute to the expansion of our local economy. As part of our mission, we aim to sustain the local economy through economic diversification, local job creation, community giveback, investment, and a regenerative culture of entrepreneurship, providing a better future for generations to come here in Hawai'i.

We repeatedly hear from our entrepreneurs that Hawai'i's high cost of living makes it difficult to thrive in our home, and that medical debt makes that burden even greater. Medical debt is a heavy load for families in our state, forcing many to choose between paying for essential needs like food and rent or keeping up with medical bills. Unexpected health emergencies, even for those with insurance, can leave families facing thousands of dollars in debt they can't manage. This financial pressure disrupts family life, increases stress, and reduces the likelihood of future success.

When families must prioritize medical bills over other essential expenses, it affects our entire community. Children might go hungry, families could lose their homes, and opportunities for economic advancement could stall. Constant financial stress affects people's productivity, education, and overall health.

By passing this bill, the state can help families struggling with this burden, allowing them to use their limited funds for stable housing and their children's education, while also contributing to the economy. This is more than just getting rid of debt—it's about restoring financial security and giving families the opportunity to succeed.

Sincerely,

Meli James | Cofounder, Mana Up
Brittany Heyd | Cofounder, Mana Up



March 3, 2026

Committee: Senate Committee on Ways and Means
Bill Number: SB3025 SD1, Relating to Medical Debt
Hearing Date and Time: March 3, 2026, 10:17am
Re: Testimony of HPM Building Supply in Support

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members:

I offer this testimony in support of SB3025 SD1, Relating to Medical Debt, which directs the Office of Wellness and Resilience to establish a program to acquire and forgive medical debt for Hawai'i households for pennies on the dollar.

Since 1921, HPM Building Supply has partnered with Hawai'i's homeowners, contractors, and tradespeople to build stronger homes, communities, and futures. As a 100% employee-owned company with island-wide operations, we depend on a healthy, skilled, and reliable workforce. When unexpected medical expenses become long-term debt, people may delay necessary care, struggle with financial stress, or face barriers to returning to work in full.

SB3025 SD1 recognizes that medical debt is not just a financial issue, but a workforce and community issue. This measure aims to support worker health, improve retention, and reduce the administrative burdens that debt imposes on families and our healthcare system alike. Targeted forgiveness of the uncollectable medical debt of some of our most vulnerable neighbors could improve health outcomes and allow those truly in need the opportunity to get back on their feet. For these reasons, HPM Building Supply strongly supports SB3025 SD1 and urges the Committee to pass this important measure.

Mahalo for the opportunity to submit testimony.

Sincerely,

Jason Fujimoto
Chairman & CEO





THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Moriwaki, Vice Chair
Members, Senate Committee on Ways and Means

From: Jace Mikulanec, Director, Government Relations, The Queen's Health Systems

Date: March 3, 2026

Re: In Support of SB3025 SD1 – Relating to Medical Debt

The Queen's Health Systems (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 testimony in support of SB3025 SD1 which requires the Office of Wellness and Resilience (OWR) to develop, implement, and administer a Medical Debt Acquisition and Forgiveness Program to acquire and forgive outstanding medical debt for certain individuals in the State.

Roughly one in three people in this country are 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 medication. The proposed program is similar to successful programs currently being employed in states like New Jersey, Connecticut, and Hawai'i – Queen's Health Systems recently concluded our first successful effort at this method of medical debt forgiveness and we are in the process of proceeding with a second round.

We view this model of addressing medical debt as a promising and worthy endeavor; through our work with Undue (formerly RIP), a national non-profit focused on eliminating medical debt, we were successful in removing 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 stand ready to collaborate with the OWR and other stakeholders to share our experience.

Mahalo for allowing us to provide testimony in support of SB3025 SD1.

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.

STRONG SUPPORT FOR SB3025

Committee on Commerce and Consumer Protection

March 4, 2026, 10:17AM, Room 229

Aloha e Chair Keohokalole, Vice Chair Fukunaga, and members of the Commerce and Consumer Protection Committee,

I urge you to **support and pass SB3025 SD1**, which requires the Office of Wellness and Resilience to develop, implement, and administer a Medical Debt Acquisition and Forgiveness Program to acquire and forgive outstanding medical debt for certain individuals in the State beginning with the medical debt of the 50,016 Hawaii residents that has already been acquired.

Medical debt is a major and life changing barrier to stability for many of Hawai'i's residents, and can be so overwhelming, a family may never recover financially. While we are lucky to live in a state with strong non-profit insurance laws, for those with major medical debt, they need more help to overcome the crushing debt with sensible relief to return to a place of financial stability.

The creation of a Medical Debt Acquisition and Forgiveness Program under the Office of Wellness and Resilience is a strong response to this issue, and will **help to improve the lives of those facing significant debt**. Research studies also show that reducing unmanageable debt can **also help to improve health outcomes and housing stability** which further reduces costs of those consequence of debt for that family and for the State. This Program is an excellent example on the State taking a proactive approach to problem solving, instead of waiting for the worst outcomes to be realized for eligible individuals who will not be able to resolve this on their own.

I appreciate your **support for SB3025 SB1** and this innovative and proactive approach to increasing financial stability for those who have faced a major health event and debt.

Mahalo for this chance to provide testimony,

Suzanne Skjold
Kaimukī, Hawai'i