



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 SD2
RELATING TO MEDICAL DEBT

House Committee on Human Services and Homelessness and House Committee on Health
Chair Lisa Marten and Chair Gregg Takayama

March 17, 2026, at 10:00 a.m.; Room Number: 329

The Office of Wellness and Resilience (OWR) **STRONGLY SUPPORTS** S.B. 3025 SD2,
Relating to Medical Debt.

S.B. 3025 SD2 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.

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

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).)

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 SD2 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

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, Think About Leaving', 14 January, 2025, [Struggling To Survive: Hawai'i Residents Take On Debt, Think About Leaving - Honolulu Civil Beat](#)

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



BONNIE KAHAKUI
ADMINISTRATOR

DAYNA OMIYA
ASSISTANT ADMINISTRATOR

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
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TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEES
ON
HUMAN SERVICES & HOMELESSNESS
AND
HEALTH
March 17, 2026, 10:00 a.m.

SENATE BILL 3025, SD2
RELATING TO MEDICAL DEBT

Chair Marten, Chair Takayama, Vice Chair Olds, Vice Chair Keohokapu-Lee Loy, and members of the committees, thank you for the opportunity to submit testimony on Senate Bill 3025, SD2. The State Procurement Office (SPO) appreciates that the Senate Draft 2 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.



March 17, 2026 at 10:00 am
Conference Room 329

House Committee on Human Services and Homelessness

To: Chair Lisa Marten
Vice Chair Ikaika Olds

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: Testimony in Support
SB 3025 SD 2, 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.



HOALOHA PROJECT

Serving foster keiki of Hawai'i

Aloha Chair Marten, Chair Takayama, and Members of the Committees,

On behalf of Hoaloha Project, a nonprofit serving foster and vulnerable keiki across Hawai'i, we **strongly support** SB3025. Many foster youth struggle to obtain medical insurance as they age out of the system and face challenges navigating complex insurance systems without parental guidance. For keiki in the foster care system, many of whom already face trauma, disrupted education, and economic hardship, the burden of medical debt can exacerbate these difficulties. It can limit access to healthcare, impede their transition to independence, and increase stress during critical periods of development.

By acquiring and forgiving medical debt, the state can directly **improve financial stability, mental health, and overall well-being** for vulnerable individuals and families. For foster youth, this program represents not only relief from financial stress but also a tangible step toward equity, opportunity, and resilience. Reducing medical debt is an investment in the health, stability, and future of Hawai'i's keiki, families, and communities.

Mahalo nui,

Ku'u Pasco

Ku'u Pasco
Executive Director
Hoaloha Project





March 13, 2026

House Committee on Human Services & Homelessness, House Committee on Health

Bill Number: SB 3025, SD2 Relating to Medical Debt
Hearing Date and Time: March 17th 2026 at 10:00 AM (Room 329)
Re: Testimony of Hawai'i Data Collaborative in support

Aloha e Chair Marten, Chair Takayama, Vice Chair Olds, Vice Chair Keohokapu-Lee Loy, and Members of the Committee:

We are writing **in support on** SB 3025, SD2 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.

Our work focuses on creating data capacity for those in Hawai'i who strive for timely, trustworthy data to inform public policy and strengthen long-term economic resilience in Hawai'i. Medical debt is not only a financial issue. It is a measurable driver of economic instability and a barrier to health access. When households delay care, experience credit damage, or reduce essential spending due to medical debt, the downstream effects are visible across multiple systems: workforce participation, housing stability, small business vitality, and public health outcomes.

The fiscal structure of this program is pragmatic. Medical debt portfolios are sold for pennies on the dollar because collection rates are low. This bill leverages that pricing inefficiency to purchase and forgive debt owed by households at or below 400% of the federal poverty level or whose debt exceeds 5% of annual income. It targets liabilities that are economically unlikely to be recovered and removes them in a way that improves household balance sheets. The policy functions as a safety valve, not a subsidy.

SB3025 also provides an opportunity for clear performance indicators and transparent reporting to convert the program from a one-time intervention into a measurable policy initiative. Tracking shifts in preventive care use, delinquency rates, credit score distributions, and geographic variation in outcomes allows policymakers to evaluate whether debt relief improves care access, stabilizes household finances, and produces durable economic effects.

Hawai'i Data Collaborative (HDC) firmly believes that data informs our understanding of what's happening, why it's happening, and what we can do about it. Data helps identify opportunities, guide



decisions, and create systems of accountability so we, as a community, can achieve better outcomes for all. Because HDC's focus is to improve the household need space, we partner with government, philanthropy, and community based organizations (CBO) to improve the data ecosystem in Hawai'i.

We appreciate the opportunity to testify in support of SB 3025.

Sincerely,

Thomas Lee, PhD, MPH
Director of Government Partnerships



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Lisa Marten, Chair
The Honorable Ikaika Olds, Vice Chair
Members, House Committee on Human Services and Homelessness

The Honorable Greg Takayama, Chair
The Honorable Sue L. Keohokapu-Lee Loy, Vice Chair
Members, House Committee on Health

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

Date: March 17, 2026

Re: Support of SB3025 SD2 – 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 SD2, 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 SD2.

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.



fightcancer.org

House Committee on Human Services and Homelessness
House Rep. Lisa Marten, Chair
House Ikaika Olds, Vice Chair

House Committee on Health
House Rep. Gregg Takayama, Chair
House Sue L. Keohokapu-Lee Loy, Vice Chair

Hearing Date: Tuesday, March 17, 2026

ACS CAN SUPPORTS SB 3025 SD2: 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 SD2: 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.¹ 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 SD2 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



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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 15, 2026

To: Representative Lisa Marten, Chair
Representative Ikaika Olds, Vice Chair
Members of the House Committee on Human Services and Homelessness

Representative Gregg Takayama, Chair
Representative Sue L. Keohokapu-Lee Loy, Vice Chair
Members of the House Committee on Health

RE: Support for SB 3025 SD2, Relating To Medical Debt

Hrg: March 17, 2026, at 10:00 AM, Conference Room 329

The Hawai'i Public Health Institute,¹ **supports SB 3025 SD2**, 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 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.

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).

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>



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

In Hawai'i, an estimated 2.3% of local families carry health-related debt.⁶ Moreover, 16% 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 Accordingly, we hope you will pass this measure to prevent medical debt from undermining 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/>



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.

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Page 1 of 2

Committee: House Committee on Human Services and Homelessness
House Committee on Health
Bill Number: SB3025 SD2, Relating to Medical Debt
Hearing Date and Time: March 17, 2026, at 10:00am (Room 329)
Re: Testimony of Holomua Collaborative in support

Aloha Chair Marten, Chair Takayama, Vice Chair Olds, Vice Chair Keohokapu-Lee Loy, and Members of the Committee:

We write in support of SB3025 SD2, 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 individuals with a household income of less than 400% of the federal poverty level or with an adjusted gross income of less than \$100,000 who have 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.

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>).

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:

- 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.
- 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 vehicles or homes, 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.

Unlike most loan and credit card debt, medical debt is not something that a person typically seeks out, it is the result of an accident or illness and a system that does typically does not provide a patient with costs in advance of service. 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 in a household earning four times (4x) or below the federal poverty level; or (2) those with an annual income less than \$100,000 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 SD2.

Sincerely,

Matthew Prellberg
Policy and Communications Director

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



BUILDBETTER.LIVEBETTER.®

March 17, 2026

Committee: House Committee on Human Services and Homelessness
House Committee on Health
Bill Number: SB3025 SD2, Relating to Medical Debt
Hearing Date and Time: March 17, 2026, 10:00am
Re: Testimony of HPM Building Supply in Support

Dear Chair Marten, Chair Takayama, Vice Chair Olds, Vice Chair Keohokapu-Lee Loy, and Committee Members:

I offer this testimony in support of SB3025 SD2, 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 SD2 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 SD2 and urges the Committee to pass this important measure.

Mahalo for the opportunity to submit testimony.

Sincerely,

Jason Fujimoto
Chairman & CEO



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HPMHAWAII.COM





Statement of
Meli James and Brittany Heyd
Cofounders
Mana Up

SB3025 SD2, Relating to Medical Debt

Aloha Chair Marten, Chair Takayama, Vice Chair Olds, Vice Chair Keohokapu-Lee Loy, and Members of the Committee,

We support SB3025 SD2, 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



ALOHACARE

To: The Honorable Lisa Marten, Chair
The Honorable Ikaika Olds, Vice Chair
House Committee on Human Services & Homelessness

The Honorable Gregg Takayama, Chair
The Honorable Sue L. Keohokapu-Lee Loy, Vice Chair
House Committee on Health

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

Hearing: Tuesday, March 17, 2026, 10:00am, Conference Room 329

RE: **SB3025 SD2 Relating to Medical Debt**

AlohaCare appreciates the opportunity to provide testimony in **support** of **SB3025 SD2** 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.

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

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



residents owe roughly \$91 million in medical debt. The combination of new H.R. 1 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 SD2**.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for SB 3025 – Relating to Medical Debt
House Committees on Health and Human Services and Homelessness
Tuesday, March 17, 2026, at 10:00 AM

Dear Chair Marten, Chair Takayama, Vice-Chair Olds, Vice Chair Keohokapu-Lee Roy, and Members of the Committee,

Hawai'i Appleseed Center for Law and Economic Justice strongly supports **Senate Bill 3025**, 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 qualifying Hawai'i residents.

Medical debt is a persistent cause of financial instability, housing insecurity, and poor health outcomes for families in our islands. One survey by the University of Hawai'i found that around 19% of respondents carried medical debt of at least \$500. In addition, 20% of participants were forced to delay seeking out care in the interest of avoiding further debt. These figures are a troubling confirmation that medical debt weighs heavily on a shockingly large portion of our family, friends, and neighbors.

As noted by the bill authors, SB 3025 is based on a proven approach that is already being utilized around the nation. Twenty-seven states and cities have partnered with non-profit entities that purchase large amounts of medical debt at a discount, then proceed to pay it off entirely. For many families, escaping this medical debt is a matter of survival—determining whether or not they will be able to keep their families adequately fed and housed.

This bill sets the eligibility criteria at household income at or below 400 percent of the federal poverty level, or a medical debt balance at least five percent of household income. In the process, it ensures that this debt relief is targeted to households that are struggling to make ends meet, much less make debt payments.

We also support this bill's focus on privacy protections and supportive services. SB3025 requires that any personally identifiable information is used only for relieving medical debt or providing financial education, insurance enrollment assistance, and other services. This provides an opportunity to not only to eliminate existing debt, but also to connect households with tools that will reduce their future risk of falling into debt.

SB 3025 would be a critical investment for Hawai‘i’s families—not just in terms of immediate financial assistance, but quality of life as well. Households that are freed from their debt would have more income for rent, food, transportation, and other essentials. Furthermore, they will be less likely to avoid seeking out medical care in the future—lowering their risk of acquiring severe illnesses and taking on even more medical debt.

For all of these reasons, Hawai‘i Appleseed urges you to pass SB 3025. This bill offers a well-tested solution that would lift up thousands of Hawai‘i’s families, allowing them to take strides towards long-term economic security.

Mahalo for your consideration.



To: The Honorable Lisa Marten, Chair
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Hearing: Tuesday, March 17, 2026, 10:00am, Conference Room 329

RE: SB3025 SD2 Relating to Medical Debt

Aloha Chair Marten, Vice Chair Olds, Chair Takayama, Vice Chair Keohokapu-Lee Loy, and Members of the Committees:

My name is Summer Mochida-Meek Executive Director of the Hawai'i State Rural Health Association (HSRHA). HSRHA supports SB3025 SD2 as a member of the Healthcare Safety Net Coalition. This measure would establish a Medical Debt Acquisition and Forgiveness Program to help relieve the burden of medical debt affecting tens of thousands of Hawai'i residents.

HSRHA is a nonprofit organization dedicated to improving health outcomes in rural and underserved communities across Hawai'i. Medical debt is a significant barrier to financial stability and healthcare access for many families, particularly in rural and neighbor island communities already facing high costs and limited resources.

Mahalo for the opportunity to testify in support of this important measure.

A handwritten signature in black ink, appearing to read "Summer Mochida-Meek", is positioned to the left of the typed name.

Summer Mochida-Meek
Executive Director
Hawai'i State Rural Health Association
summer@hsrha.org

LATE

SB-3025-SD-2

Submitted on: 3/16/2026 3:26:39 PM

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

Submitted By	Organization	Testifier Position	Testify
Doris Matsunaga	Indivisible Hawaii Healthcare Team	Support	Written Testimony Only

Comments:

Indivisible Hawaii Healthcare Team supports SB3025 SD2

SB-3025-SD-2

Submitted on: 3/12/2026 4:09:21 PM

Testimony for HSH on 3/17/2026 10:00:00 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 Hawai‘i, 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.

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.

SB-3025-SD-2

Submitted on: 3/13/2026 2:07:17 PM

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

Submitted By	Organization	Testifier Position	Testify
An Vo	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is An and I'm a public health student on O'ahu. I'm testifying in strong support of SB3025 SD2.

I grew up having Medicaid cover my health services - from doctor check-ups to dentist appointments. I also grew up in a low-income family, so it is important to me that people have access to care and have the support they need to help them get out of medical debt.

Please support SB3025 SD2 so that people can get support for their health.

Mahalo nui loa,

An Vo

Honolulu, HI

SB-3025-SD-2

Submitted on: 3/13/2026 8:02:29 PM

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

Submitted By	Organization	Testifier Position	Testify
Chevelle Davis	Individual	Support	Written Testimony Only

Comments:

Aloha,

Mahalo for the opportunity to submit testimony in SUPPORT of this measure.

Me ka ha'aha'a,

Chevelle Davis

SB-3025-SD-2

Submitted on: 3/15/2026 8:18:37 PM

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

Submitted By	Organization	Testifier Position	Testify
Ilima DeCosta	Individual	Oppose	Remotely Via Zoom

Comments:

Aloha Chair, Vice Chair and Committee members. Mahalo for the opportunity to submit my testimony, urging you to vote "Nay" to SB3025, which would require the Office of Wellness and Resilience to manage and "forgive" the medical debt of "certain" individuals.

Apparently, despite a Hawai'i law requiring employers to provide health insurance and a widely expanded Medicaid program, there are individuals who have experienced some hardship due to medical debt.

While I agree that it is important to address the burdens of medical debt, I have to question why a temporary office - the Office of Wellness and Resilience, which is a political construct - should be the agency tasked with this responsibility.

Having had a chance to review the OWR, I don't note any financial experts within their framework. And, while Ms. Hartsock may have a mental health credential, it's not clear what the credentials of her staff may be, especially when it comes to medical debt.

Further, having first hand experience with their communications director, Erica Yamauchi, I am not sure that kanaka 'oiwi can trust her to maintain her integrity or empathy for our community.

As a woman who lost a child to gun violence, and who once volunteered under Ms. Yamauchi, I have doubts that she is able to fully comprehend what it means for the state apparatus to be "trauma informed".

Being trauma informed isn't checking off a box and claiming to have done your job.

Being trauma informed means that you don't engage in activities that gaslight the native population. Being trauma informed means that you meet survivors where we are, and believe us when we tell you something is wrong.

In addition to my personal experiences with a key person from OWR who makes be question the integrity of the office, I have also heard from families who actually participated in the Malama Working Group; they say that their recommendations were pushed aside in favor of those posed by non profit agencies. Some who participated with OWR and the Malama Working Group report feeling discouraged and re traumatized.

In at least 3 separate instances, I have come to recognize that the OWR is a political agent of the Governor, and not an entity that we can rely upon to serve the entire community. That's not counting the fact that one of their primary designees is a registered lobbyist for the Hawaii State Ethics Commission. Aue.

Yes, we need a way to help people making up to \$72k a year with any excessive medical debt, but the **OWR is not the correct entity to hold this responsibility.**

We don't know the name of the non profit and we don't even know if the OWR will survive a change in administration, so giving a political entity money and power under the law seems suspect, at worst, and myopic at best.

Please vote "Nay" on SB3025 and ask the non profit currently engaged in this work to find a more suitable partner to continue this important work. Mahalo.

SB-3025-SD-2

Submitted on: 3/16/2026 11:57:54 AM

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

Submitted By	Organization	Testifier Position	Testify
Robert Justice, M.D.	Individual	Support	Written Testimony Only

Comments:

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RE: SB3025 SD2 Relating to Medical Debt

I am a retired physician, a resident of Kapolei, and a member of the Indivisible Hawai`i Statewide Network and its Indivisible Hawai`i Healthcare Team. I also support the actions of the Healthcare Safety Net Coalition. I appreciate this opportunity to provide testimony in support of SB3025. Although my testimony may be late, I hope that you will consider it. SB3025 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.

The Indivisible Hawai`i Healthcare Team and the Healthcare Safety Net Coalition support policies that improve the health, economic stability, and access to care for Hawai`i’s safety net populations. 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 individuals . 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 requirements, the expiration of enhanced premium tax credits, and other recent federal policy changes will likely worsen this medical debt problem.

For these reasons, the Indivisible Hawai'i Healthcare Team and the Healthcare Safety Net Coalition both support this measure.

Mahalo for this opportunity to testify in support of SB3025.

Respectfully,

Robert L. Justice, M.D.