



**STATEMENT FOR THE RECORD BEFORE THE HOUSE BUSINESS AFFAIRS & LABOR
COMMITTEE ON HB 23-126: MEDICAL DEBT CREDIT REPORTING CREDIT
PROTECTIONS**

February 22, 2023
Lindsey Vigoda, Colorado Director
Small Business Majority

Thank you Chairwoman Amabile and Members of the Committee:

My name is Lindsey Vigoda and I'm the Colorado Director for Small Business Majority, a small business organization with offices nationwide, including here in Colorado. Our mission is to empower America's diverse entrepreneurs to build a thriving and equitable economy. I am here to share our support for HB 23-126, legislation that would remove medical debt from credit reporting and protect marginalized communities across Colorado, including small employers and their employees.

Currently, when someone cannot afford a medical expense in Colorado and their bill is sent to collections, this debt may be included on their credit report. This reporting hurts individuals and their credit score, an issue that affects 1 in 8 Coloradans or 700,000 individuals. This is a concerning number given the importance of credit scores and their ability to dictate whether people can fairly access credit, housing, insurance, economic stability and employment opportunities to live a decent life. This is an issue of particular concern for small business owners because their personal finances and credit are typically intertwined with their business finances.

As you know, access to medical care often carries exorbitant costs, leaving those seeking care strapped with debt for years to come. We are emerging from a public health crisis, and we know that many of those who have sought lifesaving measures in the last few years, including small business owners and their employees, are riddled with financial stress that could eventually lead to bankruptcies. This would further hamper entrepreneurs in accessing capital, which is already challenging for businesses in Colorado. According to a recent Small Business Majority survey, an overwhelming majority of small businesses (75%) are being impacted by challenges in accessing capital. An inability to access capital hinders their ability to grow their businesses and hire employees, which is a major indicator of the health of our local economies.

As a representative of small businesses in our state, I can tell you that this will continue to affect our small businesses unless you make a definitive decision today to support this legislation. Credit reporting of medical debt is an issue that exacerbates inequities in our communities, and one that frequently impacts marginalized communities. This is why this bill is key to protecting Coloradans' ability to access credit and other basic necessities like housing and economic stability. After all, [data shows](#) that medical debt isn't a good indicator of creditworthiness, and it is therefore a factor that should be removed from being reported on matters related to creditworthiness.

We urge you to pass HB 23-126 to ensure Coloradans and small businesses have a level playing field in accessing basic necessities on their way to recovery.

Thank you,
Lindsey Vigoda
Colorado Director, Small Business Majority