



**ADDENDUM TO TESTIMONY OF NJ APPLESEED CONCERNING A-3908  
(COVID-19 FINANCIAL SECURITY FOR CONSUMERS ACT) BEFORE  
THE ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT COMMITTEE  
MAY 7, 2020**

Following NJ Appleseed's submission of written testimony concerning A-3908 on May 6, based on an earlier set of amendments to the bill, we received some hours later a second and newer set of proposed amendments. Accordingly, we hereby submit this updated and supplemental testimony.

The new amendments have eviscerated the legislation and we can no longer support it.

The protection provided by the 180-day wait required to take legal action to collect medical debt is essentially erased, at least for people with health insurance, by the exception for legal action "to collect any cost-sharing that is owed to the medical creditor pursuant to an agreement with an insurance carrier or other third party." Cost-sharing refers to deductibles, copays and coinsurance, the very sort of costs that are typically the subject of lawsuits against individuals to collect medical debt. Furthermore, it is unclear whether this exception would also include surprise medical bills that are sent to patients covered by ERISA plans that have not opted into New Jersey's protection against such bills. As a result, the exception swallows the rule.

On top of gutting the protections for those owing medical debt, the amendments entirely eliminate the section meant to protect people who owe non-medical debt, who are left only with the protections that involve consumer reporting.

On the plus side, we welcome the language specifically protecting from seizure by creditors (other than pursuant to a Family Court order) any COVID-19 relief money received from the government.

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In addition, the changed definition of "affected person" from a NJ resident who has suffered "financial hardship" to one who has suffered "a loss of income," a much more black and white standard, which will make application of the law much clearer and help more people hurt financially by the pandemic. We point out that under the amendments, section 2(a) still uses the term "financial hardship" and should be amended to conform to the amended definition of "affected person" as based on loss of income.

Despite a few improvements, this legislation has been so hollowed out by the new amendments that it falls far short of its name, "Financial Security for Consumers."

We join with New Jersey Citizen Action and other groups today in urging you to pull this bill and come back with one that provides meaningful consumer financial protection to the many New Jerseyans who so desperately need it.

**Despite that, we believe that some of its provisions should be preserved and enacted as two separate bills and that this should be done quickly because the need is urgent.**

We refer to sections 4 through 7, which require state health plans, including Medicaid, to cover testing and treatment for COVID-19, and to do so without imposing any cost-sharing burden. They should be passed quickly as a separate bill and should not be subject to the December 1, 2020 end limit of A-3908 or the time period of Executive Order 103's emergency declaration, because the virus and the illness will be around far longer than that, well into 2021 and perhaps beyond.

We would also like to see swift passage of a separate bill containing the financial help for consumers contained in sections 8 and 9. Those sections, respectively, authorize the Governor to halt new debt executions and other post-judgment process by executive order and ensure that the consumers who are intended to benefit from COVID-19 relief don't see it snatched away by creditors.

Thank you for your consideration.

Respectfully submitted,  
Renee Steinhagen  
Executive Director