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LRB102 28387 LAW 40259 r

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HOUSE RESOLUTION

2 WHEREAS, The members of the Illinois House of
3 Representatives wish to commend Cook County Board President
4 Toni Preckwinkle on the occasion of the Cook County Board
5 using American Rescue Plan Act (ARPA) funds to pay off medical
6 bills of Cook County residents; and

7 WHEREAS, Medical debt is the leading contributor to
8 personal bankruptcies; according to the Consumer Financial
9 Protection Bureau, somewhere between 17% to 35% of American
10 adults have medical debt; of those percentages, Black and
11 Hispanic people, young adults, and low-income individuals have
12 higher rates than the national average; and

13 WHEREAS, Addressing medical debt is an urgent priority, as
14 medical debt can also lead people to avoid medical care,
15 develop physical and mental health problems, and face adverse
16 financial consequences, including lawsuits, wage and bank
17 account garnishment, home liens, and bankruptcy; and

18 WHEREAS, Creditors, such as hospitals, ambulance
19 operators, or private doctors, write off debts after a few
20 years, and some put them up for sale to third-party collection
21 agencies, which can buy millions of dollars' worth of charges
22 at a fraction of the original cost in the hopes of collecting

1 on at least some past-due bills; the older the debt, the
2 cheaper it is to buy; and

3 WHEREAS, Under President Preckwinkle's guidance, Cook
4 County government will pay the nonprofit group RIP Medical
5 Debt \$12 million over the next three years to buy medical debt
6 accumulated at hospitals across Cook County for pennies on the
7 dollar; the money to pay RIP Medical Debt comes from Cook
8 County's pool of \$1 billion in ARPA funds; and

9 WHEREAS, Rather than attempt to collect on the debt, RIP
10 Medical Debt will forgive it and work to have that debt erased
11 from credit reports; Cook County hopes to abolish \$1 billion
12 in medical debts that could date back years; and

13 WHEREAS, Eligible individuals will be Cook County
14 residents who have a household income less than four times the
15 federal poverty level or have medical debts that are 5% or more
16 of their annual income; debt accounts will be anywhere from 18
17 months to seven or more years old; debtors will not need to
18 apply to get the relief, and that debt forgiveness will not
19 count against them when they file their taxes; and

20 WHEREAS, Cook County expects hundreds of thousands of
21 residents to get debt relief over the three years of the
22 arrangement with RIP Medical Debt; and

1 WHEREAS, While the two hospitals Cook County runs, Stroger
2 and Provident, are not eligible to participate in the county's
3 program due to ARPA spending restrictions, RIP will use
4 privately fundraised dollars to support any debt relief
5 associated with the Cook County hospitals; and

6 WHEREAS, President Preckwinkle hopes the medical debt
7 abolition program will help improve families' long-term
8 economic security and encourage people to seek medical care
9 free from worries about being pursued for past-due bills; and

10 WHEREAS, President Preckwinkle will be recognized
11 alongside other government officials at an event with Gene
12 Sperling, President Joe Biden's ARPA coordinator and senior
13 adviser, for Cook County's creative use of ARPA dollars; and

14 WHEREAS, The Cook County Board aims to initiate absolving
15 medical debts in late fall; therefore, be it

16 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE
17 HUNDRED SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that
18 we commend Cook County Board President Toni Preckwinkle on
19 utilizing Cook County's ARPA funds to pay off the medical
20 debts of Cook County residents in order to give those
21 individuals some much needed debt relief; and be it further

1 RESOLVED, That a suitable copy of this resolution be
2 presented to President Preckwinkle as an expression of our
3 esteem and respect.