



May 9, 2023

Dear Chair Rest, Chair Gomez, and Members of the Tax Conference Committee,

Thank you for the opportunity to share Lutheran Social Service of Minnesota's support of including the revenue recapture proposal (SF 2160/HF 1487) in the tax omnibus bill. LSS is a provider of essential services across all 87 counties with more than 2,500 employees who serve one in 63 Minnesotans every year. This includes quality guidance, knowledge and tools provided by LSS Financial Counseling helping our neighbors achieve financial wellness.

We strongly support ending revenue recapture for medical debt. At LSS, we help people create a plan to pay off their debt, including medical debt, so we are familiar with how debts and debt collection practices can affect one's financial stability. Our work helps Minnesotans gain confidence and feel more prepared to handle emergencies in the future. But the revenue recapture process undermines that confidence and preparation by bypassing normal debt collection practices. For instance, under standard collection practices, families would be protected from garnishments of wages or bank accounts if they have received income-based public benefits in the last six months. Also, original creditors cannot escalate collection practices if the payment plan is being followed.

The healthcare companies that have access to revenue recapture can do so without any court process, and there are no protections in place for recipients of public benefits. Other debt collectors are required to follow regulations that do not allow this. Ending revenue recapture creates guardrails to protect Minnesotans against overly aggressive or destabilizing debt collection methods.

Thank you, again, for this opportunity. Please contact Erin Sutton, LSS' Senior Director of Advocacy, at erin.sutton@lssmn.org if we may provide further information on this deeply important issue.

Sincerely,

A handwritten signature in black ink that reads "Kimberly J. Miller".

Kim Miller
Certified Financial Counselor