



CITY OF SOMERVILLE, MASSACHUSETTS

CITY COUNCIL

WILLIE BURNLEY JR. & CHARLOTTE KELLY

CITY COUNCILORS AT LARGE

A Resolution Calling for the Cancellation of Medical Debt

WHEREAS this Council has committed itself to mitigating the negative impacts of the coronavirus pandemic, including the spread of disease and the economic toll that it has caused our constituents; and

WHEREAS research from the Commonwealth Fund found that approximately half of all people affected by COVID-19 directly or indirectly, including those who caught the disease or lost their job and insurance due to the pandemic, had medical debt; and

WHEREAS medical debt represents a clear threat to the fiscal and physical health of residents by worsening credit scores, increasing the likelihood of bankruptcies, and making them less likely to seek medical treatment and therefore increasing the likely spread of disease; and

WHEREAS the negative impacts of medical debt disproportionately affect Black and Latino communities as well as veterans, young adults, and seniors; and

WHEREAS the City of Somerville has nearly \$20 million of uncommitted ARPA funds for the purposes of addressing negative health and economic impacts of the pandemic; and

WHEREAS the cities of Toledo, New Orleans, Pittsburgh, as well as Cook County, Illinois have all partnered with the non-profit RIP Medical Debt using ARPA funding to analyze, buy, and cancel debt for residents who make up to 400 percent of the federal poverty rate; and

WHEREAS the buying of medical debt is absurdly cost effective, with estimates from RIP Medical Debt claiming that for every \$1 invested \$100 of medical debt is canceled; and

WHEREAS Massachusetts residents have the lowest average of medical debt in the country, putting our municipalities in an incredibly advantageous position to cancel this debt; and

WHEREAS Councilor Burnley has already secured the willingness of RIP Medical Debt to administer and manage a program of debt analysis and cancellation as well as had multiple conversations with medical institutions in our community to gauge their willingness to collaborate in this effort; and

WHEREAS initial estimates by RIP Medical Debt have indicated that \$200,000 of ARPA funding from the City of Somerville could wipe out the medical debt of thousands of residents;

THEREFORE, BE IT

RESOLVED that the Somerville City Council calls upon Mayor Ballantyne to collaborate with RIP Medical Debt as well as medical institutions that hold debt of residents to allocate the necessary ARPA funds to cancel all medical debt for residents making up to 400 percent of the federal poverty rate; and **BE IT FURTHER**

RESOLVED that the Somerville City Council calls upon the mayor to allocate the necessary funds either from the FY24 general budget or a relevant fund to cancel all other medical debt for residents who make over 400% of the federal poverty rate, if the analysis and collaboration of this initiative reveals outstanding debt that is not canceled through the initial ARPA allocation.