



February 18, 2026

To: Chairperson Bosn, and members of the Judiciary Committee
From: Anahí Salazar, Voices for Children in Nebraska

RE: Support for LB 779, Provide requirements for health care facilities and collection agencies relating to medical debt

Healthcare debt is a significant issue, affecting millions of individuals across the nation. Healthcare debt harms families in ways that go far beyond unpaid bills. It creates a ripple effect that touches health, finances, stress levels, and long-term stability. Voices for Children supports LB779 because it provides families with time to pay off their debt without interest or late fees and helps safeguard families' housing.-term stability.

Healthcare debt can encompass expenses for medical services, hospital stays, surgeries, doctor visits and medications. Healthcare debt adversely affects physical and mental well-being by increasing stress, anxiety and depression for parents and caregivers. It also disrupts children's access to healthcare. When a family is in debt, parents might delay or skip pediatric checkups, dental visits and mental health care. Children end up with untreated conditions that could have been managed early. It forces families to make impossible financial tradeoffs, having to choose between paying medical bills or buying groceries, covering rent and utilities or paying for childcare. These tradeoffs can destabilize a household quickly.

Premium tax credit enhancements that made the marketplace coverage affordable expired in December 2025. Because the credits failed to receive an extension, health care costs spiked for 2026. Without the tax credits enrollment in Nebraska went from 136,684 in 2025 to 128,492 in 2026, a decrease of 6%, which is higher than the nationwide drop of 5.2%.¹ During a time of hardship, LB 779 provides some relief to families across Nebraska with time to pay off debt and creates guardrails, so families are not paying more interest than their healthcare debt.

Research tells us that medical debt is now a key social factor that impacts mental and physical well-being.² While many have health insurance, it often doesn't cover everything. High deductibles, copayments, and coinsurance can leave individuals responsible for a significant portion of their medical bills. Medical debt leaves people with less coverage and higher costs. While the uninsured often face the most severe challenges, even those with insurance are not immune to the high costs³ When medical bills go unpaid, the result is even more financial hardships, such as reduced access to credit

¹ [Marketplace 2026 Open Enrollment Period Report: National Snapshot | CMS](#) and [Marketplace 2025 Open Enrollment Period Report: National Snapshot | CMS](#)

² Sweet E, Nandi A, Adam EK, et al. The high price of debt: household financial debt and its impact on mental and physical health. *Soc Sci Med* 2013;91:94–100.

³ Brevoort K, Grodzicki D, Hackmann MB. Medicaid and financial health National Bureau of Economic Research 2017.

and potential legal actions that could lead to wage reduction or loss of personal property. Medical debt is one of the leading causes of personal bankruptcy in the United States.⁴ LB 779 provides families with some predictability in timeline, a ceiling for interest and assurance on their housing.

We want to thank Senator Conrad for this important legislation and the Committee for your consideration. For these reasons, I respectfully urge you to advance LB 779.

⁴ Winters M. Over half of Americans have medical debt, even those with health insurance – here's why 2022. Accessed May 14, 2023: [https:// www.cnn.com/2022/03/11/why-55percent-of-americans-have-medical-debt-even-with-health-insurance.html](https://www.cnn.com/2022/03/11/why-55percent-of-americans-have-medical-debt-even-with-health-insurance.html)