



**I N D I A N A**  
**COMMUNITY ACTION**  
**POVERTY INSTITUTE**  
Research and Public Policy

Good afternoon Chairman Garten and members of the Committee,

Thank you for the important work you are doing here today. My name is Erin Macey, I'm the director of the Indiana Community Action Poverty Institute. We are a program of the Indiana Community Action Association, which is the statewide association of Indiana's 22 Community Action Agencies. Collectively, these agencies offer over 70 unique programs – from financial literacy and savings programs to home weatherization and Head Start. The Institute supports their efforts to set families on a path to self-sufficiency through research and policy advocacy.

My testimony today actually stems in part from my research experiences while serving as a visiting faculty member at the IU Fairbanks School of Public Health. I worked with the Grassroots Maternal and Child Health Initiative to promote safe, healthy, supported pregnancies. In my time there, housing emerged as a key concern for the health outcomes and health care costs.

A number of recent and robust studies point to the fact that housing instability during pregnancy is on a par with smoking as a risk factor for poor birth outcomes, which are often attended by longer and more expensive hospital stays at birth and increased health and social costs following the birth.

In our search for solutions, we discovered a pilot program called Healthy Beginnings at Home that tested rental assistance & case management for pregnant women experiencing housing instability against a similar control group. The pilot, which took place in Ohio, achieved impressive results both in terms of health outcomes and cost reduction – fewer infant deaths, more full term births, and babies in the housing intervention group were less likely to be admitted to NICU and stayed just 8 days rather than 29 days for NICU admissions. That pilot has since been expanded to multiple sites in Ohio and, there is now a pilot in Marion County under the direction of Dr. Jack Turman at the IU School of Medicine.

But [the relationship between high health care costs and housing instability](#) is not limited to pregnant individuals. Individuals who are housing unstable often use expensive emergency room care as their primary source of health care. Other studies have shown that housing these high-cost individuals can achieve cost reductions. For example, Center for Outcomes Research and Education (CORE) studied [Oregon's effort to move individuals with high health care usage into affordable housing with supportive services and reported savings](#) in Medicaid expenditures one year later. Researchers attribute these savings to more cost-efficient use of health services, such as emergency department (ED) visits. Medicaid can support services for enrollees to find and sustain housing – examples include housing navigation services or early detection and intervention when behaviors such as late payment of rent may jeopardize housing. Indiana should explore options that would allow it to test approaches to program financing and delivery by [waiving Medicaid statutory requirements](#), and amending existing [state plans](#).

Second, I would like to ask this committee to consider the steps it can take to mitigate the damaging impact of high health care costs on Hoosiers. I first encountered the incredible scope of this issue when conducting community needs assessments for our agencies. In 2020 round, for the first time, we asked people about debt. The responses on medical debt were one of the most surprising – 49% of our survey respondents (largely low-income Hoosiers) reported having medical debt.

So we dug deeper into this issue and produced a report (sent to each of you) that describes our best effort to get a sense of how much medical debt exists in Indiana and what its impact is. Briefly, medical debt:

- Affects Hoosiers ability to meet their basic needs
- Affects credit scores, which are used in decisions around housing, employment, access to credit, and insurance costs
- Affects decision-making about future health care, deterring them from seeking care
- Affects mental health

As you continue to grapple with ways to reduce health care costs, I urge you to also take steps to address the debt that exists and is holding Hoosiers back all across this state. This may include:

- Creating stronger expectations around charity care and how it is advertised
- Bulk purchasing and eliminating medical debt
- Creating stronger protections around when debt can be reported to the credit bureaus
- Addressing Indiana's wage garnishment laws and liens that can result from medical debt in collections; currently Indiana's protections are tied to the federal minimum wage, preserving a base income of only \$217.50 per week. This is inadequate for an individual to meet his or her basic needs while repaying medical debt.

We are eager to be a partner with you in tackling this complex and multifaceted issue.