



Legislation Details (With Text)

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File created:	11/20/2023	In control:	Committee on Finance and Law
On agenda:	11/20/2023	Final action:	12/5/2023
Enactment date:	12/5/2023	Enactment #:	811
Effective date:	12/7/2023		
Title:	Resolution amending and supplementing Resolution 23 of 2023, entitled "Resolution authorizing the Mayor and the Director of the Office of Management and Budget, on behalf of the City of Pittsburgh, to enter into an Agreement or Agreements with a vendor chosen through the City bid process for the purpose of purchasing and discharging eligible health care debt owed by Pittsburghers at a cost not to exceed One Million Dollars (\$1,000,000)," by adding language about the eligible populations and revising the funding sources to be used for the agreement.		
Sponsors:	Bobby Wilson		
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Date	Ver.	Action By	Action	Result
12/7/2023	1	Mayor	Signed by the Mayor	
12/5/2023	1	City Council	Passed Finally	Pass
11/29/2023	1	Standing Committees	Affirmatively Recommended	Pass
11/20/2023	1	City Council	Read and referred	

Resolution amending and supplementing Resolution 23 of 2023, entitled "Resolution authorizing the Mayor and the Director of the Office of Management and Budget, on behalf of the City of Pittsburgh, to enter into an Agreement or Agreements with a vendor chosen through the City bid process for the purpose of purchasing and discharging eligible health care debt owed by Pittsburghers at a cost not to exceed One Million Dollars (\$1,000,000)," by adding language about the eligible populations and revising the funding sources to be used for the agreement.

WHEREAS, more than 100 million Americans-41% of adults-are burdened by health care debt; and,

WHEREAS, 1 in 3 indebted Americans owes less than \$1,000 in health care debt, 1 in 4 indebted Americans owes more than \$5,000, and 1 in 8 indebted Americans owes \$10,000 or more; and,

WHEREAS, about 1 in 5 of Americans with any amount of health care debt do not expect to ever be able to pay it off; and,

WHEREAS, health care debt appears in every age group: 55% of adults ages 18-29, 69% of adults ages 30-49, 60% of adults ages 50-64, and 37% of adults older than 65 have all incurred health care debt in the last five years; and,

WHEREAS, health care debt appears across racial and ethnic groups: 54% of white adults, 69% of black adults, and 64% of Hispanic adults have all incurred health care debt in the last five years; and,

WHEREAS, according to the U.S. Census Bureau, a disproportionate share of the 1 in 5 American households across the U.S. that owe an average of \$2,000 in medical debt are Black and Latino; and,

WHEREAS, indebted American adults have cut spending on food, clothing, and other basics, used up all or most of their savings, taken on extra work, delayed buying a home, postponed their education, sought aid from charities or nonprofits, and/or changed their living situations; and,

WHEREAS, according to the Consumer Financial Protection Bureau's (CFPB) February 2022 report titled "Medical Debt Burden in the United States," 58% of debts recorded in collections were for a medical bill, making it the most common form of debt on consumer credit records and the leading cause of personal bankruptcy in the United States of America; and,

WHEREAS, Americans with health care debt are prevented from saving for retirement, investing in their children's educations, or laying the traditional building blocks for a secure future, such as borrowing for college or buying a home; and,

WHEREAS, most perversely, health care debt blocks sick Americans from seeking medical care, either because they have been denied access to a hospital, doctor, or other healthcare provider because of unpaid bills, or because they have put off essential care due to associated costs; and,

WHEREAS, though health care debt is one of most prevalent types of consumer debt, it differs from every other type of consumer debt in that people do not plan to get sick or get hurt, and when they do get sick or hurt, getting health care is not just necessary but may well be a matter of life and death; and,

WHEREAS, per the CFPB report referenced previously, as of December 2020, in the Commonwealth of Pennsylvania, 10.5% of adults, or 13,608,000 people, owe an average of \$1,473 in health care debt; and,

WHEREAS, in Allegheny County, 7% of all households-6% of households in white communities and 9% of households in communities of color-have health care debt in collections; and,

WHEREAS, in Allegheny County, per February 2022 data compiled by the Urban Institute in the spreadsheet titled "Debt in America: County-Level Medical Debt," the median medical debt in collections per household in communities of color is \$369, and the median medical debt in collections per household in white communities is \$275; and,

WHEREAS, a 2019 survey conducted by the Service Employees International Union (SEIU) found that about 60% of the 3,500 hourly workers employed at the University of Pittsburgh (UPMC) Presbyterian and Shadyside Hospitals owe money to the hospital giant for health care costs; and,

WHEREAS, many Pittsburghers with health care debt are uninsured or underinsured and are experiencing financial hardship in the wake of COVID-19; and,

WHEREAS, Black and brown communities in Pittsburgh have been disproportionately impacted both financially and medically by COVID-19 and resulting health care debts; and,

WHEREAS, in July 2022, Cook County, Illinois allocated \$12 million in American Rescue Plan Act (ARPA)

dollars to forgive up to \$1 billion in health care debt owed by Cook County residents; and,

WHEREAS, in November 2022, the City of Toledo partnered with Lucas County, Ohio to allocate \$1.6 million in ARPA dollars-\$800,000 from the city and a matching \$800,000 from the county-to discharge \$190 million to \$240 million of health care debt held by 41,000 people; and,

WHEREAS, the City of Pittsburgh received \$335 million in ARPA dollars to address the public health and negative economic impacts of COVID-19; and,

WHEREAS, following in the footsteps of these initiatives, the City of Pittsburgh seeks to partner with a vendor chosen by the City bid process to discharge the health care debt of all eligible Pittsburghers.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF PITTSBURGH RESOLVES AS FOLLOWS:

Section 1. The Mayor and the Director of the Office of Management and Budget, on behalf of the City of Pittsburgh, are hereby authorized to enter into an Agreement or Agreements with a vendor chosen through the City bid process for the purpose of purchasing and discharging eligible health care debt owed by Pittsburghers, ~~as approved in the City of Pittsburgh's American Rescue Plan,~~ at a cost not to exceed One Million Dollars (\$1,000,000).

Funds to the chosen vendor shall be paid from either the American Rescue Plan Trust Fund, JDE account 0222905500.53901.00, or the Office of Management and Budget's Professional Services account, JDE Account, 102200.53901.2023 according to the guidelines stated in Section 2 and Section 3 below.

Section 2. Individuals who reside in the City of Pittsburgh, and:

- a) have a household income between 0% and 300% of the federal poverty level, or
- b) have a household income that is at 65% of Area Median Income, or
- c) reside in a qualified U.S. Census tract,

qualify for ARPA-funded health care debt relief, and funds to be applied towards the purchase and discharge of such individuals' health care debt shall be allocated from either the American Rescue Plan Trust Fund, JDE account 0222905500.53901.00, at a cost not exceed Nine Hundred Thousand Dollars (\$900,000). ~~In compliance with American Rescue Plan Act (ARPA) guidelines, individuals deemed eligible for this health care debt relief will be:~~

- a. ~~Residents of the City of Pittsburgh, and~~
- b. ~~Have a household income less than three times the federal poverty level, or~~
- c. ~~Have a household income that is at 65% of Area Median Income, or~~
- d. ~~Reside in a qualified U.S. Census tract.~~

Section 3. Individuals who reside in the City of Pittsburgh and have a household income between 301% and 400% of the federal poverty level qualify for health care debt relief funded by non-ARPA sources, and funds to be applied towards the purchase and discharge of such individuals' health care debt shall be allocated from the Office of Management and Budget's Professional Services account, JDE Account 102200.53901.2023, at a cost not to exceed One Hundred Thousand Dollars (\$100,000).

Section 34. Health care debt accounts will range from 18 months old to 7 or more years old.

Section 45. Account balances must have been written off as bad debt and hospitals must consider the

accounts to be dormant.

Section 56. The chosen vendor shall seek to buy dischargeable health care debt directly from hospitals in bundles.

Section 67. Beneficiaries of health care debt relief through this initiative will no longer owe the specific health care debt(s) erased through this City of Pittsburgh partnership with the chosen vendor and will not have to pay taxes on this one-time donation toward the purchase and discharge of their health care debt.

Section 78. Residents of the City of Pittsburgh whose health care debt qualifies will receive letters stating the amount that has been discharged after local officials sign their contracts with the participating organization.