



For Immediate Release

Contact: Jeff Maclin (718) 309-2346

**Members of the #EndMedicalDebt Campaign
Applaud The Governor and the State Legislature for
Reforming the State's Hospital Financial Assistance Program
And Protecting Families' Finances**

April 19, 2024. Members of the #EndMedicalDebt campaign applauded Governor Hochul and the State Legislature for highlighting the issue of medical debt in this year's state budget.

The budget modernizes the state's Hospital Financial assistance (HFA) program and protect New Yorkers from excessive health care costs—ensuring that New York has the best hospital financial assistance protections in the nation.

Key new protections include:

No patient can be denied emergency or medically necessary care if they have an unpaid medical bill.

The new law will protect low- and moderate-income patients and their families with incomes below 400 percent of the federal poverty level (\$60,000 for an individual and \$93,000 for a family of three) by:

- Barring all New York hospitals from suing patients with incomes below 400 percent of the federal poverty level (FPL) for medical debt;
- Requiring hospitals to provide a fair discount schedule to patients that consists of free care for people below 200 percent of FPL and payment plans that offer discounts off of the Medicaid reimbursement rate for patients with incomes between 200-400 percent of FPL;
- Capping payment plans to five percent of a families' gross income each year.

For the first time, New York will ensure that patients who are “underinsured” are able to access hospital financial assistance if their cost sharing is over 10 percent of their gross family income.

Hospitals will not be able to sell off patient debt to collection firms and many other crucial patient protections.

The #EndMedicalDebt campaign was formed in 2020 by a coalition of nonprofit organizations from around the state who are not all solely focused on healthcare advocacy but came together due to the pervasive nature of the medical debt crisis in this state. According to a report issued by the Urban Institute in October 2023¹, over 740,000 New Yorkers have medical debt in the

¹ <https://www.urban.org/sites/default/files/2023-10/Medical%20Debt%20in%20New%20York%20State.pdf>



collections process. New York's healthcare costs are some of the highest in the nation and New Yorkers have been demanding relief.

Members of the campaign expressed their gratitude to the Governor and the State Legislature:

"It is a new day for the thousands of patients who turn to our Community Health Advocates and other consumer assistance programs struggling with medical debt," said **Elisabeth R.**

Benjamin, Vice President of Health Initiatives, Community Service Society of New York.

"New Yorkers are truly fortunate to have Governor Hochul, Majority Leader Stewart-Cousins, and Speaker Heastie on the side of patients in the war against medical debt and its devastating impact of patients' physical and fiscal health."

"For many older New Yorkers, their medical bills increase while their income is fixed, and even with Medicare, Medicaid and private insurance, older adults are far too often saddled with exorbitant out-of-pocket medical expenses. By addressing this issue in the state budget, Governor Hochul and the Legislature are coming through for those New Yorkers buried under mounting medical debt that often can result in exacerbated health issues. Making it easier for patients to access hospital financial assistance will go a long way toward helping older people ease their debt burden and stabilize their finances as they age."

Beth Finkel, New York State Director, AARP

"Through this critically important legislation, New York is taking a giant leap forward to protect patients from medical debt and financial distress. The Ounce of Prevention Act will enhance and standardize financial assistance across the state's 200 hospitals, and prevent hundreds of thousands of patients from going into debt to begin with. We commend the bill sponsors, Senate Health Chair Gustavo Rivera and Assembly Health Chair Amy Paulin, and Gov. Hochul, Majority Leader Stewart-Cousins and Speaker Heastie, for reaching this historic pro-consumer agreement to protect New Yorkers from excessive medical bills."

Chuck Bell, programs director for Consumer Reports

"Medical debt should not exist and we applaud lawmakers for taking important steps to expand hospital financial assistance and protect New Yorkers from hospital medical debt. The cost of healthcare is an unnecessary burden facing New York working families and we look forward to continuing to work together to keep building a future where all New Yorkers can access the healthcare they need without any financial barriers."

Ursula Rozum, Statewide Lead for Healthcare, Citizen Action of NY

"We salute the Governor and the Legislature for including significant provisions to protect New Yorkers from facing medical debt for hospital care in the state budget. Medical debt has impacted many older New Yorkers, including those who are "fully" insured, underinsured and uninsured. The

Journal of General Internal Medicine study revealed that out of pocket medical expenditures in the five years prior to an individual's death totaled more than \$38,000 leaving 1 in 4 seniors approaching bankruptcy. The budget provisions will allow many mid to lower income New Yorkers to be protected from hospital payments for outstanding hospital charges, and if payment is due, it will be set to a payment schedule that is uniform and understandable. Patients should be able to concentrate on their recovery, not have increasing anxiety waiting for the aftercare



shock of outrageous payment due letters.”

Maria Alvarez, Executive Director, NY StateWide Senior Action Council

“Northwest Bronx Community and Clergy Coalition is very pleased with the passage of the Ounce of Prevention Act, making it easier for uninsured patients to apply for discounts so their bills do not end up in collections. By including patients making 400% of the Federal Poverty Level, this legislation will have a positive impact on 98% of our membership and on Bronx residents as a whole, who are disproportionately burdened by medical debt and poor health outcomes. Medical debt is not only a critical barrier to accessing care but also to building generational wealth for communities of color and working families in the Bronx. We are proud of our advocacy with partners across the state to achieve this crucial step towards ending medical debt and promoting health equity and racial justice in the Bronx and beyond.”

Roberta Todd, Northwest Bronx Community and Clergy Coalition Board Vice President

“The Center for Independence of the Disabled, New York (CIDNY) believes that medical debt can economically disadvantage people with disabilities (PWD). PWD are more apt for experiencing chronic diseases which would allow for medical debt to incur. PWD should not carry the burden of medical debt while physically and mentally recovering from a medical episode. CIDNY strongly supports the #EndMedicalDebt campaign and urges Governor Hochul and our legislators to act now.”

Sharon McLennon Wier, Ph.D., MEd., CRC, LMHC, Executive Director for CIDNY.

“We applaud Governor Hochul, Senator Rivera, Assemblymember Paulin, and Senate and Assembly leadership for expanding and strengthening financial aid for low-income patients. Medical debt can have devastating consequences, particularly for low-income families and communities of color, and expanding financial aid ensures that many families will not go bankrupt due to medical bills.”

Kyle Giller, staff attorney at the New York Public Interest Research Group

“New Yorkers can struggle with health care costs *even if they have insurance!* Modernizing Hospital Financial Assistance (HFA) is critical and long overdue. Too often, patients are not even made aware of HFA, or are billed months or even years after the date of service (long past the current 90-day timeframe to apply for HFA), through no fault of their own. New Yorkers deserve better, and thanks to the Governor and Legislature, the HFA law updates will streamline and improve consistencies throughout the state, making health care more attainable for everyone.”

Alexia Mickles, Senior Attorney, Empire Justice Center

“The Volunteer Lawyers Project of CNY, Inc., thanks and applauds Governor Hochul and the New York State legislature for passing a comprehensive budget which includes some greatly needed reforms related to medical debt. Central New Yorkers have faced a disproportionate burden of medical debt and often find themselves forced to choose between paying medical bills or paying for necessities like shelter, heat, or food. The budget bill, which expands the availability of financial assistance to New Yorkers struggling to pay hospital bills, and which prohibits low and moderate income New Yorkers from being targeted in hospital debt collection lawsuits, will ensure expanded access to affordable healthcare and will improve the lives of people across the state.”



Amelia Kohli, Volunteer Lawyers Project of Central New York

“Much of patient medical debt comes from sky-high hospital bills combined with poor insurance benefit design, so these reforms will help mitigate that reality, and it’s good that the Governor and Legislature have taken these steps. Next up for our state leaders should be steps to control and lower hospital prices along with improving health insurance coverage so that patients are no longer at risk for incurring bills they simply cannot pay off. Setting standards for and robust oversight of both industries will be needed.”

Mark Hannay, Director of Metro New York Health Care for All