

Governor Phil Murphy

# Governor Murphy Announces Sixth Round of Medical Debt Relief, Eliminating Over \$86 Million in Medical Debt for More Than 53,000 New Jerseyans

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## New Jersey's Medical Debt Relief Initiative Nears \$1.4 Billion Forgiven for Over 828,000 New Jerseyans

**TRENTON** – In the Murphy Administration's sixth round of medical debt relief, Governor Phil Murphy today announced that more than 53,000 New Jersey residents will see a combined \$86 million in medical bills abolished as a result of the State's ongoing partnership with national nonprofit Undue Medical Debt (Undue). To date, this partnership has seen nearly \$1.4 billion in medical debt eliminated for over 828,000 New Jersey residents.

By leveraging approximately \$600,000 in American Rescue Plan funds from the State's investment in medical debt abolishment, Undue has purchased this debt from provider partners. Undue-branded letters to impacted New Jerseyans began to arrive in the mail starting on December 27, 2025.

"With nearly \$1.4 billion in medical debt abolished for hundreds of thousands of New Jersey residents, we are making a real, tangible impact and alleviating the burden of unpayable medical bills for our residents. Our partnership with Undue Medical Debt continues to build on my Administration's efforts to create a more affordable and accessible health care system for all New Jerseyans," **said Governor Murphy**. "Nobody should have to delay life-saving care because they fear the crushing burden of medical debt or cut corners to ensure their basic health care needs are met."

"I'm thrilled to see New Jersey reach this historic milestone of nearly \$1.4 billion in medical debt erased for over 822,000 residents," **said Undue Medical Debt CEO and president Allison Sesso**. "At a time when the medical debt crisis is on track to get even worse, New Jersey stands as a national leader – not only providing direct relief, but also enacting critical protections like prohibiting medical debt from appearing on credit reports. No one chooses to get sick, be in an accident, or have a chronic illness, and I'm grateful for the provider partners who continue working with us to ensure medical debt doesn't prevent people from seeking the care they need. We're proud that tens of thousands more families will soon receive this welcome news in the mail."

"Every dollar New Jersey invests in eliminating medical debt is an investment in better health for our state. Research consistently shows that medical debt drives people to forgo or delay care," **said Acting Health Commissioner Jeff Brown**. "When families aren't weighed down by past medical bills, they're more likely to schedule screenings, keep doctor's appointments, and address health issues before they become crises."

 Back to top

“With today’s announcement, we are alleviating more than \$86 million in burdensome medical debt from tens of thousands of New Jerseyans, providing direct relief to our communities as we work toward a better, more affordable health care system,” **said James Lloyd, Director of the Office of Health Care Affordability and Transparency.** “Our partnership with Undue Medical Debt has provided direct help to many vulnerable New Jerseyans, and is a vital piece of the State’s larger efforts to address the crisis of medical debt among our residents.”

Medical debt abolishment builds on the Governor’s efforts to make health care more affordable and accessible for New Jersey families. Under the Governor’s leadership, the State has also advanced critical protections to safeguard New Jerseyans from falling into medical debt, including the

prohibition of credit reporting for most medical debts

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under the Louisa Carman Medical Debt Relief Act. New Jersey is a leading state in consumer protection policies and supports for residents, being

one of the first

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states in the nation that both prohibits medical debt reporting to credit agencies and has allocated funding to provide residents with direct medical debt relief. The State’s successful efforts reflect widespread public support for consumer protections, as demonstrated by

new polling

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that finds over three-quarters of voters (76%) want their state leaders to pass laws that protect them from medical debt.

These efforts are complemented by additional

consumer-focused policies

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that advance prescription drug affordability, including caps on out-of-pocket costs for insulin and asthma inhalers; innovative reforms promoting transparency in the pharmaceutical supply chain; and necessary oversight of pharmaceutical benefits management companies.

There is no application process for medical debt relief. Undue purchases large, bundled portfolios of past-due medical debt belonging to those least able to pay for pennies or less on the dollar. Instead of trying to collect, Undue erases the debt.

Those who qualify for medical debt relief are either at or below 400% of the federal poverty line or have medical debts that equal 5% or more of their annual income. These are the only criteria for relief. This is a one-time abolishment to help remove the financial and emotional burden of unpayable medical debts. Medical debt relief is source-based and cannot be requested, depending on community-minded providers like hospitals and secondary market partners like collection agencies who choose to engage and sell their qualifying medical debt.

Those benefiting from medical debt relief will receive an Undue-branded letter in the mail.

Learn more about Undue

[here](#)

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, and learn more about medical debt relief and initiatives of the Office of Health Care Affordability and Transparency

[here](#)

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## Governor Phil Murphy

[Home \(/governor/\)](/governor/)

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[Office of Health Care Affordability and Transparency](/governor/admin/affordablehealthcare/index.shtml)

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[Education \(/governor/initiatives/#Education\)](/governor/initiatives/#Education)

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[Law & Justice \(/governor/initiatives/#Justice\)](/governor/initiatives/#Justice)

[Transportation \(/governor/initiatives/#Transportation\)](/governor/initiatives/#Transportation)

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Administrative Orders ([/governor/news/ao/approved/ao\\_archive.shtml](/governor/news/ao/approved/ao_archive.shtml))

Direct Appointments (</governor/news/appointments>)

Advice and Consent Appointments (</governor/news/acappointments>)

Statements on Legislation ([/governor/news/statements/approved/statements\\_archive.shtml](/governor/news/statements/approved/statements_archive.shtml))

Administration Reports (</governor/news/adminreports/approved/archive.shtml>)

Transition Reports ([/governor/news/reports/approved/reports\\_archive.shtml](/governor/news/reports/approved/reports_archive.shtml))

Press Kits (</governor/news/press>)

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