



Governor Murphy Announces Seventh Round of Medical Debt Relief, Eliminating Almost \$16 Million in Medical Debt for Nearly 14,000 New Jerseyans

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New Jersey's Medical Debt Relief Initiative Nears \$1.5 Billion Forgiven for Over 847,500 New Jerseyans

TRENTON – In the Murphy Administration's seventh round of medical debt relief, Governor Phil Murphy today announced that nearly 14,000 New Jersey residents will see almost \$16 million in medical bills abolished as a result of the State's ongoing partnership with national nonprofit Undue Medical Debt (Undue).

By leveraging approximately \$165,000 in American Rescue Plan funds from the State's investment in medical debt abolishment, Undue has purchased this debt from the secondary market. Undue-branded letters to those impacted are expected to arrive in the coming weeks.

First proposed during the

[Governor's 2023 budget address](#)

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, this partnership has seen nearly \$1.5 billion in medical debt eliminated for over 847,500 New Jersey residents, initially utilizing a \$10 million grant in Fiscal Year 2024.

"Medical debt should never stand between New Jersey residents and the care they need. Too often, families are forced to make impossible choices after a health crisis, facing bills that grow faster than their ability to pay. Since day one, we have governed with the principle that health care is a right, not a privilege – and, across government, we have worked to break down barriers to accessing affordable services," **said Governor Murphy**. "By retiring this debt in partnership with Undue Medical Debt, we are easing a financial burden that has weighed on hundreds of thousands of households and taking a concrete step toward a health care system that puts people first – one that is fairer, more compassionate, and more accessible for everyone."

"Governor Murphy and the State of New Jersey have been a valued partner since the summer of 2024 when we announced \$100 million of medical debt relieved for nearly 50,000 families," **said Allison Sesso, president and CEO of Undue Medical Debt**. "It's a massive accomplishment that the Administration is closing out its term with well over one billion dollars erased for hundreds of thousands of New Jersey families. The numbers are staggering, but beneath the figures are real people – neighbors, coworkers and community members who have been gifted the emotional and financial benefit of medical debt relief. And I extend a sincere thank you to all of the providers – hospitals, physicians' groups and more who have enabled us to erase these burdensome debts of necessity."

"The stress of medical debt affects health as surely as any diagnosis. Financial insecurity contributes to anxiety, delayed care, and worsening conditions," **said Acting New Jersey Health Commissioner Jeff Brown**. "This relief isn't just an economic measure – it's a public health intervention."

"New Jersey's partnership with Undue Medical Debt has brought over \$1 billion in direct relief to residents burdened by unpayable bills, empowering these residents to reengage with the health care system," **said James Lloyd, Director of the Office of Health Care Affordability and Transparency**. "This initiative builds on the work of the Office of Health Care Affordability and Transparency, under the leadership of Governor Murphy, to address the nation's growing medical debt crisis."

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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. New Jersey is a leading state in consumer protection policies and supports for residents, being

[one of the first states](#) ([https://urldefense.com/v3/_https://t.e2ma.net/click/biuern/fd1rrbm/ba83xdb_!!J30X0ZrnC1oQtbA1KPEqp4KoiUV1t7KvEm-PCwxSQmjuZi2dZT-6r5gOo432t3cPFyyuVJVQqXtEB7sP7vyOqSMVLB-mCcA2UJbG0xS9m4A\\$](https://urldefense.com/v3/_https://t.e2ma.net/click/biuern/fd1rrbm/ba83xdb_!!J30X0ZrnC1oQtbA1KPEqp4KoiUV1t7KvEm-PCwxSQmjuZi2dZT-6r5gOo432t3cPFyyuVJVQqXtEB7sP7vyOqSMVLB-mCcA2UJbG0xS9m4A$)).

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](#) ([https://urldefense.com/v3/_https://t.e2ma.net/click/biuern/fd1rrbm/r283xdb_!!J30X0ZrnC1oQtbA1KPEqp4KoiUV1t7KvEm-PCwxSQmjuZi2dZT-6r5gOo432t3cPFyyuVJVQqXtEB7sP7vyOqSMVLB-mCcA2UJbGDzYO_bo\\$](https://urldefense.com/v3/_https://t.e2ma.net/click/biuern/fd1rrbm/r283xdb_!!J30X0ZrnC1oQtbA1KPEqp4KoiUV1t7KvEm-PCwxSQmjuZi2dZT-6r5gOo432t3cPFyyuVJVQqXtEB7sP7vyOqSMVLB-mCcA2UJbGDzYO_bo$)).

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.

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