

Governor Phil Murphy

Governor Murphy Announces Elimination of \$100 Million in Medical Debt for Almost 50,000 New Jerseyans

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Debt Abolishment is Result of Partnership with Undue Medical Debt

TRENTON – Governor Phil Murphy today announced that thousands of eligible individuals and families across New Jersey are set to have some or all of their medical debt eliminated as part of a major initiative to make health care more affordable and accessible. By leveraging over \$550 thousand in American Rescue Plan funds and partnering with Undue Medical Debt (Undue), the administration is delivering relief to 17,905 New Jersey residents who had owed \$61.6 million to Prime Healthcare hospitals and an additional 31,748 residents owing more than \$38.4 million to other providers through the secondary debt market, primarily collections agencies. Prime Healthcare partnered with Undue to sell qualifying, unpayable medical debts for relief.

“When someone is sick or injured, they should be able to focus on what matters most – getting better – rather than worrying about how they will pay for the life-saving care and services rendered to them. New Jerseyans should not have to scrimp and save to ensure their basic health care needs are met, or to pay down lofty medical debts resulting from tragic accidents or devastating diagnoses,” **said Governor Murphy**. “Medical debt accumulates very quickly and can follow a person for decades. With this strategic investment and our partnership with Undue, we are wiping the slate clean for thousands of New Jersey families, eliminating their debt, and making a real, tangible impact on their lives. Today’s announcement continues our momentum in creating a better, more affordable, and accessible health care system for all New Jersey residents.”

“Once again, through Governor Murphy’s leadership, we are supporting NJ residents and families through immediate and direct relief while also changing policy to ensure systemic and lasting change and protections,” **said Shabnam Salih, Director of the Office of Health Care Affordability and Transparency**. “Today’s announcement will lift the burden of medical debt from tens of thousands of NJ residents and families, and with the Governor’s signing, just last month, of the Louisa Carman Medical Debt Relief Act, more New Jerseyans are shielded against the unfair consequences of credit reporting of medical debt, amongst other protections.”

This announcement follows the signing of the [Louisa Carman Medical Debt Relief Act](https://www.nj.gov/governor/news/news/562024/approved/20240722a.shtml) (<https://www.nj.gov/governor/news/news/562024/approved/20240722a.shtml>), which safeguards New Jersey families from accumulating medical debt, protects against predatory medical debt collectors, and prohibits the reporting of medical debt to credit reporting agencies. New Jersey is a leading state in consumer protection policies and supports for residents, being one of only five states (<https://www.shvs.org/mapping-state-efforts-to-address-medical-debt/>) in the nation that both prohibits medical debt reporting to credit agencies and has allocated funding to provide residents with direct medical debt relief.

“As the leader of a nonprofit based in the tri-state area it’s thrilling to see this magnitude of medical debt relief for New Jersey residents across the state,” **said Allison Sesso, CEO and president of Undue Medical Debt**. “We hope the tens of thousands of recipients in this first wave of medical debt relief are encouraged to re-engage with the healthcare system and feel both financial and emotional relief. No one chooses to get sick, be in an accident or have a chronic illness and we look forward to helping even more people over the course of this partnership with New

Jersey government.”

“We are thrilled to join into this partnership which furthers our mission of ‘Saving Hospitals, Saving Jobs, Saving Lives,’” **said Sonia Mehta, MD, CEO Region II, Corporate Chief Medical Officer and Chief Academic Officer for Prime Healthcare.** “We commend Gov. Murphy’s leadership and are proud to team up with Undue Medical Debt on this initiative that will relieve crippling medical debt for so many patients, many of whom are vulnerable, while providing exceptional, compassionate care to all members of the community.”

There is no application process for medical debt relief. Undue works with hospital systems across the country to purchase large, bundled portfolios of past-due medical debt belonging to those least able to pay. Instead of trying to collect, Undue erases the debt.

Those who qualify for medical debt relief are either four times or below the federal poverty level or have medical debts that equal 5% or more of their annual income. These are the only criteria for relief. Undue has worked with Prime Healthcare and other New Jersey-based health care providers to identify unpaid medical debts that qualify for erasure. This is a one-time abolishment to help remove the financial and emotional burden of unpayable medical debts. Medical debt relief is source-based, depending on community-minded providers like hospitals who choose to engage, and it cannot be requested.

Those benefiting from medical debt relief will receive an Undue branded letter in the mail beginning Monday, August 19, 2024. Learn more about Undue [here \(https://unduemicaldebt.org/\)](https://unduemicaldebt.org/).

Governor Phil Murphy

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