

Governor Phil Murphy

Governor Murphy Announces Fifth Round of Medical Debt Relief in Partnership with Undue Medical Debt, Eliminating Over \$59 Million in Debt for More Than 48,000 New Jerseyans

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New Jersey's Medical Debt Relief Initiative Tops \$1.3 Billion Forgiven for Over 780,000 New Jerseyans

TRENTON – Governor Phil Murphy today announced that in partnership with national nonprofit Undue Medical Debt (Undue), the Murphy Administration is delivering a fifth round of medical debt relief, impacting over 48,000 New Jersey residents who owed a combined \$59 million in medical bills.

By leveraging approximately \$500,000 in American Rescue Plan funds from the State's investment in medical debt abolishment, Undue has purchased this debt from a mix of provider partners and the secondary market, such as collection agencies and debt buyers. Undue-branded letters to those impacted are expected to arrive in the mail in the coming days.

"Far too many New Jersey families have felt the crushing burden of medical debt, often following necessary or life-saving medical care. This debt adds up fast and can significantly impact an individual's life and choices, even preventing them from seeking out future medical treatment," **said Governor Murphy**. "We are committed to continuing our momentum to create a better, more affordable, and accessible health care system for all New Jersey residents through our very last day in office. By partnering with Undue Medical Debt and implementing forward-thinking policies to prevent our residents from falling into debt, we are providing tangible relief to New Jersey families."

"Today's announcement marks another critical milestone in our ongoing fight against medical debt, a burden that no New Jersey family should have to bear," **said Acting New Jersey Health Commissioner Jeff Brown**. "With each round of debt relief, we are reinforcing our commitment that health care is a right, not a privilege reserved for those who can afford it. Medical debt doesn't just drain bank accounts, it forces impossible choices between prescriptions and groceries, between doctor visits and rent. By eliminating this debt, we're helping to restore financial stability to New Jersey families, while demanding a new status quo where getting needed health care doesn't carry the fear of financial ruin."

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](https://www.nj.gov/governor/news/news/562024/20240722a.shtml)

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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://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. The State's successful efforts reflect widespread public support for consumer protections, as demonstrated by

new polling (<https://unduemedicaldebt.org/bipartisan-support-for-policies-that-protect-people-from-medical-debt/>) 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 (<https://www.nj.gov/governor/news/news/562023/20230710a.shtml>) 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.

"I'm very proud to see New Jersey reach this remarkable milestone of over \$1.3 billion in medical debt erased for New Jersey residents," **said Undue Medical Debt CEO and president Allison Sesso**. "This fifth round of relief demonstrates New Jersey's unwavering commitment to protecting families from the financial and emotional burden of medical debt. I'm also grateful for the continued partnership of providers who recognize that removing these unpayable debts helps their communities thrive. No one chooses to get sick, be in an accident or have a chronic illness. We're thrilled that tens of thousands more people will soon be receiving this good news in the mail."

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 (<https://unduemedicaldebt.org/>).

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