

Governor Murphy Forgives \$100 Million in Medical Debt

Healthcare Law Update

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9/30/2024

On August 20, 2024, Governor Phil Murphy [announced](#) that medical debt for almost 50,000 New Jersey residents totaling \$100 million dollars will be eliminated. The Murphy administration was able to eliminate the debt by leveraging federal funds from the American Rescue Plan and partnering with Undue Medical Debt, a non-profit that works with hospital systems to purchase and eliminate large bundled portfolios of medical debt. Those that qualify for such medical debt relief have annual income which is below four times the federal poverty level or have medical debts that equal 5% or more of their annual income. Medical debt relief cannot be requested as it is dependent upon providers, such as hospitals, who choose to engage in the program. New Jersey residents that qualify for such medical debt relief began receiving letters from Undue on August 19, 2024.

The announcement follows the [signing](#) of the Louisa Carman Medical Debt Relief Act by Governor Murphy in July 2024, which protects individuals from predatory medical debt collectors and prohibits the reporting of medical debt to credit reporting agencies.

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