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Empire Justice Center ☞ Hispanic Federation ☞ The Legal Aid Society ☞ Make the Road New York
Medicare Rights Center ☞ Metro New York Health Care for All Campaign ☞ New Yorkers for Accessible Health
Coverage ☞ New York Immigration Coalition ☞ Project CHARGE
Public Policy and Education Fund of New York/Citizen Action of New York ☞ Raising Women's Voices-New York
☞ Schuyler Center for Analysis and Advocacy ☞ South Asian Council for Social Services ☞ Young Invincibles

**Memorandum in Support of S6522/A7363
Patient Medical Debt Protection Act
Prohibition of Medical Providers from Filing Liens and Wage Garnishments on Patients
January 2022**

An Act to amend the civil practice law and rules to protect New Yorkers from unfair liens and wage garnishment in medical collection cases

Health Care for All New York (HCFANY) is a statewide coalition of over 170 consumer-focused organizations dedicated to achieving quality, affordable health coverage for all New Yorkers, and ensuring that the concerns of real New Yorkers are heard and reflected in policy conversations. We support the **S6522/A7363**, which would protect patients from extreme medical debt collection practices in which health care providers file liens on patients' primary residences and garnish 10 percent of their wages after a medical debt judgment.

New Yorkers struggle with health care costs, even when they have insurance.¹ Over 52,000 New York patients have been sued for medical debt by non-profit hospitals in the past five years—4,000 during the COVID-19 pandemic (March – December 2020). Eight percent of New Yorkers have delinquent medical debt that appears on their credit reports. The problem is most pervasive upstate: in Oswego County, this increases to 23% of residents, and there are 16 other upstate counties where between 16 and 23% of residents have an adverse credit entry for delinquent medical debt.² Medical debt is strongly associated with housing instability, and even homelessness.³ Communities of color in New York more than twice as likely to have medical debt than their white counterparts in counties like Westchester, Erie, Monroe, Onondaga and Albany.⁴

All hospitals in New York State are not-for-profit institutions who do not pay state or local taxes and collectively receive \$1.1 billion to help offset their losses for providing uncompensated care to low-income uninsured New Yorkers. Roughly one-third of hospitals sue patients for medical debt. Hospitals report to the Department of Health that they secure approximately 2,400 liens against patients' homes annually.⁵ Research indicates that patients whose wages are garnished work low-wage jobs in retail, big box stores, manufacturing and health care.⁶

Under sections 5201 and 5231 of the New York Civil Laws and Practice Rules, these hospitals are permitted to file liens on patients' homes and garnish 10 percent of their gross wages after prevailing in court on a medical debt case. A January 5, 2021 front page *New York Times*



article underscores the fear wage garnishments induce in working people: Northwell hospital system sued Scott Buckley, a 48 year-old Stop & Shop employee, for \$21,028 in medical bills. As Mr. Buckley put it: “I am literally broke...I don’t have a penny to my name. I have three kids. If they take my paycheck, I won’t have anything.”⁷

In November 2021, the *Syracuse Post*⁸ Editorial Board endorsed enactment of this bill and the *Daily News*⁹ has condemned the practice of medical providers filing liens on patients homes.

For these reasons, HCFANY strongly urges the enactment of the provision of the Patient Medical Debt Protection Act that protects patients’ homes and wages from extreme medical collection practices (S6522/A7363).

¹ Altarum Healthcare Value Hub and Community Service Society of New York, “New Yorkers Struggle to Afford High Healthcare Costs; Support a Range of Government Solutions Across Party Lines,” March 2019, <https://www.cssny.org/news/entry/new-statewide-healthcare-affordability-survey>.

² Urban Institute, “Debt in America: An Interactive Map,” December 2019, https://apps.urban.org/features/debt-interactive-map/?type=overall&variable=pct_w_medical_debt_in_collections&state=36&county=36075. The counties are Cattaraugus, Cayuga, Chautauqua, Columbia, Cortland, Greene, Jefferson, Madison, Onondaga, Rensselaer, Schenectady, Schuyler, Seneca, Steuben, Sullivan, and Washington.

³ Seifert, R. “Home Sick: How Medical Debt Undermines Housing Security,” *St Louis Univ Law J*, 51:325; Bienlenberg, J. “Presence of Any Medical debt Associated with Two Additional Years of Homelessness in a Seattle Sample,” *The J of Health Care Organizations*, 57:1-10, Jan. 2020.

⁴ Urban Institute, “Debt in America: An Interactive Map,” December 2019, https://apps.urban.org/features/debt-interactive-map/?type=overall&variable=pct_w_medical_debt_in_collections&state=36&county=36075

⁵ E. Benjamin & A. Dunker, “Discharged Into Debt: Nonprofit Hospitals File Liens on Patients’ Homes, Community Service Society of NY, November 2021, <https://www.cssny.org/publications/entry/discharged-into-debt-nonprofit-hospitals-file-liens-on-patients-homes>

⁶ A. Dunker & E. Benjamin, “Discharged Into Debt: Medical Debt and Racial Disparities in Albany County,” Community Service Society of NY, March 2021, <https://www.cssny.org/publications/entry/discharged-into-debt-medical-debt-and-racial-disparities-in-albany-county> ; B. Bump, Albany Times Union, “Pandemic hasn’t stopped area’s hospitals from suing patients over unpaid bills,” March 18, 2021, <https://www.timesunion.com/news/article/Pandemic-hasn-t-stopped-Capital-Region-hospitals-16036542.php>

⁷ “One Hospital System Sued 2,500 Patients After Pandemic Hit,” *The New York Times*, January 5, 2021, <https://www.nytimes.com/2021/01/05/nyregion/coronavirus-medical-debt-hospitals.html>

⁸ Syracuse Post Standard Editorial Board, “NY should ban liens on patients’ homes over medical debts,” November 15, 2021, <https://www.syracuse.com/opinion/2021/11/ny-should-ban-liens-on-patients-homes-over-medical-debts-editorial-board-opinion.html>.

⁹ Daily News Editorial Board, “Hospitals must stop placing liens on medical debtors’ homes,” November 14, 2021, <https://www.nydailynews.com/opinion/ny-edit-hospital-liens-20211114-ypavmznqyrdvjgr7gwqgp23qqm-story.html>