Law Protects Patients Facing Bills

Gov. Kathy Hochul has signed legislation to protect patients facing steep medical bills that can lead to wage garnishment or liens against their property.

“No one should face the threat of losing their home or falling into further debt after seeking medical care,”  Hochul said. “I’m proud to sign legislation today that will end this harmful and predatory collection practice to help protect New Yorkers from these unfair penalties. With medical debt a burden for far too many, this is an important step to address this crucial issue.”

The legislation amends the civil practice law and rules to prohibit health care providers from placing home liens on an individual’s primary residence or garnishing wages to collect on medical debt.

Nearly half of American adults struggle to afford health care costs, and more than 50,000 New Yorkers have been sued for medical debt over the past five years; this problem is most pervasive upstate. Previously, hospitals or health care providers had been able to impose and enforce liens on a patient’s primary residence to satisfy a judgment in a medical debt lawsuit, leading to housing instability and financial consequences for vulnerable New Yorkers.

“I want to thank Gov. Hochul for signing my bill into law to protect New Yorkers from facing liens on their homes or wage garnishment by medical institutions in their effort to collect medical debt. We must work together to eradicate medical debt from our State and I am thrilled that we are taking this important first step,” State Sen. Gustavo Rivera said.

“New Yorkers struggle with health care costs even when they have insurance. People seeking care end up with bills to cover ever-increasing out-of-pocket costs, including high deductibles, copays and the various fees insurance doesn’t cover.

People’s homes and income should not be threatened to satisfy medical debt. I thank Gov. Hochul for signing S.6522A/A.7363A into law to help protect patients from these egregious practices,” Assemblymember Richard Gottfried said.