

**CHAPTER 38**  
**PROGRAM TO CANCEL MEDICAL DEBT**

**§ 38-01 Establishment of a Program to Cancel Medical Debt.**

**§ 38-02 Eligibility.**

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**§ 38-01 Establishment of a Program to Cancel Medical Debt.**

Select eligible persons will benefit from cancellation of their terminal bad medical debt pursuant to a program (the “Program”) administered on behalf of the City by a contractor. The Program will terminate once all moneys allocated for the Program have been disbursed, but no later than three years after commencement of the Program.

For the purposes of this chapter, the term “terminal bad medical debt” refers to medical debt that the hospital or other health care provider was unable to collect after completing its own collection process.

**§ 38-02 Eligibility.**

To be eligible for cancellation of medical debt, an individual must meet the following criteria:

- (a) be a resident of New York City according to records of mailing address;
- (b) have terminal bad medical debt incurred at a hospital or other health care provider, provided that such debt was not incurred at a hospital operated by the New York City health and hospitals corporation or for transport by an ambulance operated by the New York City fire department; and
- (c) meet one of the following income criteria:
  - (1) The individual’s annual modified adjusted gross household income does not exceed 400% of the federal poverty level as determined by the U.S. Department of Health and Human Services at the time eligibility is assessed; or
  - (2) The individual’s annual modified adjusted gross household income exceeds 400% of the federal poverty level but is under 1000% of the federal poverty level as determined by the U.S. Department of Health and Human Services at the time eligibility is assessed, and such individual’s medical debt equals or exceeds 5% of such individual’s annual modified adjusted gross household income.

**§ 38-03 Selection of beneficiaries.**

There is no application to enroll in the Program. The contractor will enter into confidential agreements with hospitals and other health care providers that own medical debt of New Yorkers and attest in writing that they are in compliance with applicable charity care laws; the contractor will then identify debt owed by individuals who meet the eligibility criteria set forth in section 38-02. Not all eligible persons will receive cancellation of medical debt. Medical debt will be canceled only for patients who meet the eligibility criteria set forth in section 38-02 and whose information is shared with the contractor by hospitals and health care providers with whom the contractor contracts. Debt cancellation will occur under the Program only with respect to debt purchased by the contractor.

**§ 38-04 Notification of beneficiaries.**

The contractor will send written notification of debt cancellation by mail to the last known address on file of each patient who receives the benefit of debt cancellation.