Illinois Strategies to
Prevent Medical Debt

Balance Billing and Short-Term Insurance

The federal No Surprises Act (NSA) protects patients from surprise medical bills (also referred to as "balance bills"), which are unexpected costs from out-of-network providers. Under the federal legislation, patients receiving emergency care or who are unknowingly treated by out-of-network providers during an in-network procedure are only required to pay the in-network cost-sharing amount for services provided. Effective January 1, 2022, the No Surprises Act applies to most health plans but not all care sites and services. States can legislate additional protections for balance bills not covered under the NSA, such as for ground ambulances, or limit the number of short-term, limited duration health plans available in the state, which traditionally cover fewer services putting enrollees at greater risk of incurring balance bills. Strategies examine in this section include:

Prohibitions on Balance Billing for Ground Ambulance Services

Prohibitions on Short-Term, Limited Duration Health Plans

Charity Care and Community Benefit Requirements

This section reviews state laws aimed at preventing medical debt, including mandates for hospitals and health care providers to offer financial assistance policies, screen patients for insurance and charity care eligibility, and inform patients of charity care policies before collecting payment. Strategies examined in this section include:

Mandated Hospital Charity Care

Hospital Charity Care Screening Requirements

Hospital Charity Care Notification Requirements

Hospital Community Benefit Reporting Requirements

Reducing Financial Consequences

This section examines how a state regulates providers' ability to collect medical debt once it has been incurred. States can mitigate the financial harm of medical debt by regulating how and when providers and collection agencies pursue repayment or by limited aggressive collection actions. Strategies examined in this section include:

Mandated Waiting Period Prior to Sending a Bill to Collections

Limits on Liens or Foreclosures due to Medical Debt

Limits on Wage Garnishment due to Medical Debt

Limits on the Amount of Interest Charged to Medical Debt

Medical Debt Prevention

Balance Billing and Short-Term Insurance

Policy	Status as of June 2025	Summary
Prohibits Balance Billing for Ground Ambulance Services	● Prohibits balance billing for out-of-network ground ambulance services	Illinois has established balance bill protections that extend to both public and private ground ambulance services, but only when patients are enrolled in an HMO plan. IL HB23-2391 would have extended these protections to a additional insured residents, but the bill did not pass.
Prohibits Short-Term, Limited Duration Health Plans	● State law has eliminated short-term, limited duration health plans	Illinois law prohibits the sale of short-term, limited duration health plans in the state.

● State Has Active Policy or Program ◉ Policy or Program Partially Implemented ⊗ State Does Not Have an Active Policy or Program ✱ No Source, or Limited Information Found

Medical Debt Prevention

Charity Care and Community Benefit

Policy	Status as of June 2025	Summary
Mandated Hospital Charity Care	State law requires hospitals to provide free or discounted care to low-income patients and sets standards for eligibility (see notes)	Illinois requires most hospitals to provide charity care to uninsured patients earning up to 200% FPL, and discounted care to those earning up to 600% FPL. Rural and Critical Access Hospitals have lower thresholds, offering full charity care up to 125% FPL and discounted care up to 300% FPL. However, the cost of care must exceed $150 at urban hospitals or $300 at rural hospitals. Hospitals cannot collect more than 20% of a qualifying patient's annual income in a year.
Hospital Charity Care Screening Requirements	State law requires health care providers to screen patients for Medicaid, Marketplace, or charity care eligibility before collecting payment	Hospitals in Illinois are required to screen uninsured patients, with their consent, as early as possible to determine eligibility for public health insurance and hospital financial assistance. They are also required to help patients apply and to document any refusal to participate in the screening process.
Hospital Charity Care Notification Requirement	State law requires health care providers to notify patients of charity care options before collecting payment	Illinois requires hospitals to post a notice of their financial assistance policies in the admission and registration areas of the hospital, as well as online and in the emergency room.
Hospital Community Benefit Reporting Requirement	State law requires hospitals to annually report the amount of charity care provided	Illinois hospitals must submit an annual community benefits report to the Attorney General that includes data on financial assistance applications, such as how many were submitted, approved, and denied, along with the top reasons for denial. The report must also include the number of uninsured patients who declined or did not respond to financial assistance screening and the most common reasons why. Illinois also requires tax-exempt hospitals to show that they have provided community benefits in an amount greater than what the hospital would otherwise be required to pay in property taxes.

State Has Active Policy or Program | Policy or Program Partially Implemented | State Does Not Have an Active Policy or Program | * No Source, or Limited Information Found

Medical Debt Prevention

Reducing Financial Consequences

Policy	Status as of June 2025	Summary
Mandates Waiting Prior to Collections	State law prohibits sending medical debts to collections for a prescribed period (see note)	Hospitals in Illinois must meet a series of requirements, including allowing patient's at least 90 days following discharge to submit a financial assistance application, before sending a bill to collections.
Limits on Liens or Foreclosures due to Medical Debt	State law does not prohibit initiating a lien or foreclosure to collect medical debt	In Illinois, hospitals cannot pursue legal action, foreclose, or place liens on the property of uninsured patients who demonstrate insufficient income and assets. Beginning in January 2025, uninsured patients who qualify for free care under the Hospital Uninsured Patient Discount Act cannot be billed at all.
Limits Wage Garnishment due to Medical Debt	State law does not exceed federal wage garnishment protections for residents with medical debt	Illinois offers stronger protections against wage garnishment than federal law. The state also bars hospitals from taking legal action to collect medical debt from uninsured patients who can show they lack the income and assets to pay.
Limits on the Amount of Interest Charged to Medical Debt	The state has not enacted a law to limit interest rates for medical debt	Illinois law prohibits hospitals from billing uninsured patients who qualify for charity care. In 2025, lawmakers also introduced legislation to cap interest on medical debt at 2% annually, but the bill did not advance and died in committee.

State Has Active Policy or Program | Policy or Program Partially Implemented | State Does Not Have an Active Policy or Program | * No Source, or Limited Information Found

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