Massachusetts 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	⊗ Does not prohibit balance billing for out-of-network ground ambulance services	
Prohibits Short-Term, Limited Duration Health Plans	● State law has eliminated short-term, limited duration health plans	STLD health plans aren't explicitly banned in the state, but strict regulations have effectively removed them from the market.

● 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 does not require hospitals to provide free or discounted care to low-income patients	Massachusetts does not require all hospitals to offer discounted or charity care, but instead operates a Health Safety Net fund that reimburses acute care hospitals and community health centers for uncompensated care provided to low-income residents. Massachusetts residents with incomes up to 150% of the federal poverty level (FPL) may qualify for full assistance, while those with incomes between 150% and 300% FPL may be eligible with a deductible.
Hospital Charity Care Screening Requirements	⊗ State does not require health care providers to screen patients for Medicaid, Marketplace, or charity care eligibility before collecting payment	
Hospital Charity Care Notification Requirement	● State law requires health care providers to notify patients of charity care options before collecting payment	Massachusetts requires hospitals to notify patients about financial assistance programs at several key points: during registration, on all billing invoices, and when there is a change in a patient's eligibility or insurance coverage. Providers must also include a brief financial assistance notice in all written collection actions and inform eligible patients about available payment plans. Hospitals must post clear signs about financial assistance in common patient areas, and provide translated notices if at least 10% of the local population speaks a non-English primary language. Additionally, financial assistance policies and provider affiliate lists must be accessible on the provider's website.
Hospital Community Benefit Reporting Requirement	⊗ State law does not require hospitals to annually report the amount of charity care provided	

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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)	Massachusetts hospitals may not start any debt collection activities (including using debt collectors or reporting to credit agencies) while an internal or external grievance or review is pending, or for 30 days after the grievance is resolved.
Limits on Liens or Foreclosures due to Medical Debt	State law does not prohibit initiating a lien or foreclosure to collect medical debt	Massachusetts grants generous homestead exemptions to residents that are elderly or disabled, but does not ban hospitals or debt collectors from placing liens or foreclosing on homes to collect medical debt. However, providers must get individual approval from their board of trustees before taking legal action against the home or vehicle of a low-income patient.
Limits Wage Garnishment due to Medical Debt	State law exceeds federal wage garnishment protections for residents with medical debt	State consumer protections against wage garnishment exceed federal protections.
Limits on the Amount of Interest Charged to Medical Debt	State law limits interest rates on medical debt	Massachusetts requires hospitals to offer one year interest-free payment plans to patients with a balances of $1,000 or less (with payments capped at $25/month) and a two year interest-free payment plans to patients with a larger balances. Hospitals are also prohibited from billing patients who qualify for discounted or charity care under the Health Safety Net, or who are enrolled in MassHealth, the Emergency Aid to the Elderly, Disabled and Children program, or the Children's Medical Security Plan unless the patient fails to provide proof of eligibility.

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