Minnesota 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	
Hospital Charity Care Screening Requirements	● State law requires health care providers to screen patients for Medicaid, Marketplace, or charity care eligibility before collecting payment	Minnesota hospitals are required to screen uninsured patients and those with unknown insurance status for charity care eligibility and assist them in applying if not found ineligible. Screening must occur within 30 days of service, and must be conducted in person or by phone.
Hospital Charity Care Notification Requirement	● State law requires health care providers to notify patients of charity care options before collecting payment	Minnesota hospitals are required to post notices about the availability of charity care in registration areas, emergency departments, and billing departments, and provide charity care policy documents and application forms on their websites in all applicable languages.
Hospital Community Benefit Reporting Requirement	● State law requires hospitals to annually report the amount of charity care provided	Minnesota hospitals must submit an annual report that includes detailed charity care information. This includes the amount of charity care provided, categorized by payer type and by inpatient or outpatient services; public and private funding received for charity care; and a copy of the hospital's charity care policy.

● 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)	Minnesota hospitals may not refer medical debt to collections (including in-house or third-party collections, revenue recapture, etc.) until the patient has been screened for charity care, found ineligible, and offered a reasonable payment plan.
Limits on Liens or Foreclosures due to Medical Debt	State law does not prohibit initiating a lien or foreclosure to collect medical debt	Minnesota does not prohibit attaching a lien or prohibiting foreclosure to collect medical debt. However, Minnesota hospitals may not initiate any collections actions until the patient has been screened for charity care, found ineligible, and offered a reasonable payment plan.
Limits Wage Garnishment due to Medical Debt	State law exceeds federal wage garnishment protections for residents with medical debt	Minnesota does not have medical debt-specific limits on wage garnishment but uses an income -based sliding scale that prohibits garnishment for those earning below minimum wage, exceeding federal wage garnishment regulations. Additionally, hospitals cannot begin collection efforts until the patient has been screened for charity care, determined ineligible, and offered a reasonable payment plan.
Limits on the Amount of Interest Charged to Medical Debt	The state has not enacted a law to limit interest rates for medical debt	

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

November 2025

healthcarevaluehub.org

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