New York 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	New York has established balance bill protections that extend to public and private ground ambulance services, but these protections do not apply to interfacility transport or non-emergency transport.
Prohibits Short-Term, Limited Duration Health Plans	● State law has eliminated short-term, limited duration health plans	All state-regulated health plans issued in New York must be guaranteed renewable. Consequently, the sale of short-term, limited-duration health plans is not permitted within 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)	New York hospitals must provide discounted or free charity care to patients with incomes up to 400% of the federal poverty level (FPL). Patients at or below 200% FPL receive full charity care. For those between 200% and 300% FPL, payments are capped at 10% of the Medicaid rate, and for those between 301% and 400% FPL, payments are capped at 20%. Hospitals may offer additional assistance at their discretion. Immigration status is not a factor in determining eligibility.
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	Hospitals must provide clear, understandable written policies, including information on eligibility, application procedures, and income thresholds. This must be provided during intake and discharge, as well as through conspicuous postings and on hospital bills and statements.
Hospital Community Benefit Reporting Requirement	● State law requires hospitals to annually report the amount of charity care provided	Hospitals in New York are required to file an annual report with the Commissioner of Health that includes information on charity care and bad debts.

● 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 New York are prohibited from refer a patient to a debt collector for nonpayment until 180 days after the first post-service bill is issued and after reasonable efforts are made to determine the patient's eligibility for financial assistance.
Limits on Liens or Foreclosures due to Medical Debt	● State law prohibits initiating a lien or foreclosure to collect medical debt	New York prohibits placing a lien or foreclosing on a patients' primary residence to collect outstanding medical debts.
Limits Wage Garnishment due to Medical Debt	● State law exceeds federal wage garnishment protections for residents with medical debt	Hospitals and debt collectors in New York are fully prohibited from garnishing a patient's wages to collect unpaid medical debts.
Limits on the Amount of Interest Charged to Medical Debt	● State law limits interest rates on medical debt	New York caps the annually interest rate on consumer debts, including medical debts, at 2%.

● 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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