Healing Without Debt

The Medical Debt De-Weaponization Act

Senate Bill 321, the Medical Debt De-Weaponization Act, passed the N.C. Senate in a rare unanimous 48-0 vote in May 2023. If the bill becomes law, it could help provide peace of mind to everyday North Carolinians seeking affordable, quality health care.

1 in 5 North Carolinians

has medical debt in collections as of 2022.

N.C. has the 4th HIGHEST percentage of people with medical debt in collections among all states.

In some N.C. counties

AT LEAST 30% of all residents have medical debt in collections.¹

Map source: Urban Institute, Debt in America: An Interactive Map, 2023

Percent of North Carolinians with Medical Debt in Collections

Terry Belk

Describing his wife of 25 years who died of breast cancer. Owning more than $20,000 in medical debt despite his wife’s health insurance, Terry Belk lost partial equity in his house to settle outstanding debt with Atrium.

“He died thinking about medical debt. She was actually afraid to go back to the hospital because of the bills."

2. The study computed the ratio of prices paid by private insurers with those paid by Medicare. North Carolina’s relative price was 266 percent of Medicare; the national average ratio was 224 percent. Christopher M. Whaley et al., Prices Paid to Hospitals by Private Health Plans: Findings from Round 4 of an Employer-Led Transparency Initiative. RAND Corporation, 2022.

3. Available at: ncleg.net/enactedlegislation/statutes/html/bysection/chapter_131e/gs_131e-91.html.

Patients need hospitals to live up to their charitable mission.

- SB 321 would ban certain extraordinary collections on medical debt, such as foreclosing on a person’s home or garnishing state tax refunds.
- SB 321 would cap interest rates on medical debt to 5%.
- SB 321 would also require all hospitals to create plain language policies to help their patients avoid medical debt and require hospitals to screen uninsured patients for Medicaid and other programs.

Patients need peace of mind about not passing on medical or nursing home debt liability to their spouse.

- Too many North Carolinians spend their last days worrying about passing on their medical debt to their spouse, which is currently allowed under state law.²
- SB 321 would clearly establish protections for spouses or other persons to not be liable for medical or nursing home debt of people aged 18 or older.

Patients need quality healthcare without hidden fees.

- Too many patients are charged surprise facility fees on their medical bills, costing hundreds of dollars.
- SB 321 would limit the circumstances to when facility fees can get charged and establish reporting requirements for hospitals to submit data on revenue earned from facility fees to DHHS.
- SB 321 would give DHHS the ability to protect patients by levying $1,000 fines per occurrence for any violations to patient protections from facility fees.

Patients need consumer protections when it comes to medical debt.

- SB 321 would provide the Attorney General with the authority to enforce consumer protections outlined in this bill.
- Under SB 321, patients would have at least one year from the date of their first bill before medical debt can be reported to a consumer reporting agency.
- Patients would be protected from medical debt collection during health insurance appeals.

Did you know?

Our state has the 20th highest hospital prices in the country while wages rank 40th.²

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