

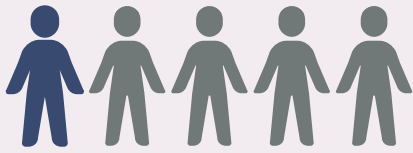
# Healing Without Debt

## 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.

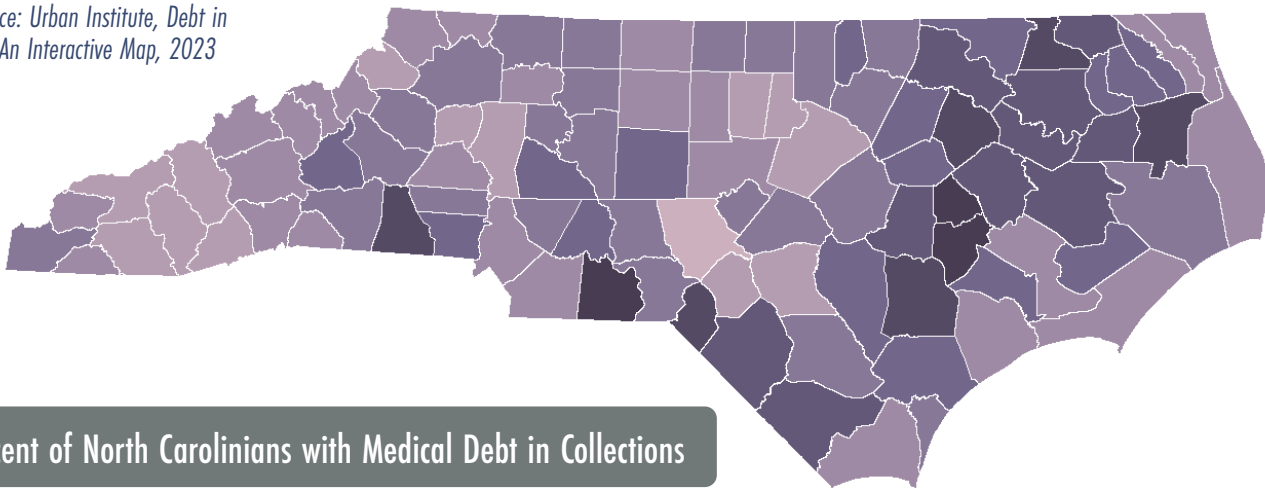


**In some N.C. counties**



of all residents have medical debt in collections.<sup>1</sup>

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



Percent of North Carolinians with Medical Debt in Collections



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

## 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.

## 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.



### Did you know?

Our state has the **20th highest hospital prices** in the country while wages rank **40th**.<sup>2</sup>

## 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.<sup>3</sup>
- 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.

1. Debt in America: An Interactive Map. The Urban Institute. Available at [apps.urban.org/features/debt-interactive-map/](https://apps.urban.org/features/debt-interactive-map/), accessed December 12, 2023.
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](https://ncleg.net/enactedlegislation/statutes/html/bysection/chapter_131e/gs_131e-91.html).

### Do you have a medical debt story?

Share your story today by scanning the QR code or visiting [bit.ly/MedDebtVoices](https://bit.ly/MedDebtVoices)

