

The logo for the City Bar Justice Center features the text "CITY BAR JUSTICE CENTER" in a bold, serif font, centered between two thick, black horizontal bars.

**CITY BAR  
JUSTICE  
CENTER**

**A GUIDE TO MEDICAL DEBT:  
YOUR RIGHTS AND OPTIONS**

**A PUBLICATION OF THE  
CANCER ADVOCACY PROJECT  
CITY BAR JUSTICE CENTER**

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## **INTRODUCTION**

The Cancer Advocacy Project is a legal services program of the City Bar Justice Center. The project provides cancer patients and survivors with no-cost legal information and advice in three areas: life (estate) planning, health law and cancer-related employment discrimination. Experienced volunteer attorneys provide advice and assistance with the preparation of simple wills, advance directives, denial of medical insurance coverage, federal legal rights under the Family and Medical Leave Act (FMLA), COBRA and HIPAA (insurance portability). Americans with Disabilities Act (ADA), and workplace discrimination and employee rights.

As well as its physical and emotional impact, a cancer diagnosis often raises concerns about the cost of medical treatment and the possibility of spiraling into debt. Many cancer patients, survivors and their families want to know what, if anything, can be done to avoid or lessen the risk of incurring substantial medical debt. Others are already in debt and unsure of their options.

We developed this guide to help cancer survivors, patients and their families answer basic questions about medical debt and debt collection issues. Through our work with individual clients and community groups, we speak to many cancer patients and survivors who owe money to hospitals and doctors for medical treatment and procedures. These individuals and their families often do not know where to turn for assistance. We hope this guide provides a helpful starting point for understanding your rights and options with respect to medical debt and debt collection.

## **IMPORTANT INFORMATION ABOUT THIS GUIDE**

This guide is not intended to serve as legal advice and the Cancer Advocacy Project is not responsible for the accuracy or adequacy of any of the information contained in the guide or your reliance on this information. This guide discusses legal protections under federal, state and local debt collection laws. It also includes important information about the rights of patients and survivors with respect to their medical bills under the HFAL.

Cancer patients, survivors, and their family members are encouraged to use this guide to plan ahead and ask the right questions at the earliest opportunity. Experience has taught us that there is no “magic solution” when dealing with medical bills, but knowing your legal rights with respect to medical bills and debt collectors can make a substantial difference.

# I. THINK AHEAD: PREPARING FOR THE HIGH COSTS OF MEDICAL SERVICES

Medical treatments and procedures are costly, but taking a few simple steps can help you avoid common financial pitfalls, whether you have health insurance coverage or not.

## A. If you have insurance coverage:

### 1. Read your insurance policy.

Check what procedures and treatments it covers.

Do you need to get pre-authorization (prior approval) for the procedure(s)?

Does it cover everyone who will be involved in your treatment(s), including lab work?

### 2. Call your insurer(s) before being admitted.

Confirm that your coverage is active and your procedure is covered.

Confirm that all your doctors and the hospital are in-network providers, meaning that their services will be covered.

Check whether your plan covers any out-of-network services.

**Important!** Unlike Medicaid, private insurance plans do not require their in-network doctors to refer patients to other in-network doctors. As a result, patients may receive treatment(s) from an out-of-network doctor or lab during their stay at an in-network hospital and incur large medical bills. To avoid this pitfall, ask each specialist who treats you whether he/she accepts your health plan. If your insurance provides limited or no out-of-network coverage, tell your doctor(s) not to refer you to out-of-network service providers. If you are undergoing surgery, make sure that your surgeon knows that you have requested an in-network anesthesiologist who accepts your health plan – and ask to have that written in your patient records.

**Note:** Patients who receive care from an out-of-network doctor may have to pay up-front and submit the claim themselves. Clarify this with your doctor.

### 3. Understand your health plan's policy on obtaining pre-authorization (prior approval) for treatment(s)/procedure(s).

If possible, get the prior approval in writing.

If you require emergency treatment, your or a family member should contact the health plan within 24 hours after being admitted.

#### **4. Tell your doctor(s) about all your insurance coverage.**

Provide your doctor(s) with your insurance identification numbers.

Mention all of your existing insurance plans, including employer or private insurance, Medicaid, and Medicare.

If you have more than one source of insurance (e.g., private insurance plus Medicare), make sure your doctor knows this and sends claims to all of them.

**Important!** Most insurance plans have time limits for submitting claims. Make sure that you or your doctor(s) do not miss these deadlines.

**Note:** Some insurance plans require that payments be made in a certain order, so they may deny an initial claim if billed first. For example, Medicaid pays last, so they will deny a claim if it was not first submitted to your other insurer(s), such as private health plan and/or Medicare. Make sure that your doctor(s) re-submit the claims that have been denied for that reason.

#### **5. Keep all correspondence.**

Hold on to every letter, authorization, and medical bill you receive from the doctor(s) and/or the hospital.

### **B. If you do not have insurance coverage:**

**1. Know your rights under the Hospital Financial Assistance Law.** Hospitals often charge uninsured patients more than they charge patients who have insurance. Thus, uninsured patients are asked to pay significantly more than public or private insurance companies pay.

However, under New York's Hospital Financial Assistance Law (HFAL) of 2007, patients whose income is at or below 300% of the Federal Poverty Level (FPL) may not be charged more than the hospital would charge a health plan. Additional information about HFAL can be found on page 9 of this guide.

**2. Know your rights under HFAL if the hospital asks for a pre-admission**

## **deposit.**

Sometimes hospitals ask patients to pay upfront before being admitted or treated. These pre-admission deposits are permitted under HFAL, but:

- They must be based on your ability to pay;
- They must not be an undue obstacle to obtaining needed health care or financial assistance; and
- The amount must be included in the maximum charges allowed under HFAL.

**Important!** Under federal law and New York State regulations, hospitals may not turn you away if you cannot pay for emergency care. This law applies to emergency care only.

**Note:** If you cannot afford a pre-admission deposit, you may negotiate with the hospital to pay no more than 10% of your monthly income as a deposit.

### **3. Consider your other payment options.**

Check if you are eligible for Medicaid or Supplemental Security Income (SSI) program.

Research available funding through charitable organizations and foundations.

Think about borrowing money from a bank, or friends and family.

### **4. Find out who will be involved in your treatment(s) before you begin incurring substantial expenses.**

If there is no time for research before beginning the procedure(s), ask these questions each time you are sent for new tests or meet with a new doctor.

### **5. Keep all correspondence.**

Hold on to every letter, authorization, and medical bill that you receive from the doctor(s) and/or the hospital.

### **6. File a complaint if you believe your rights have been violated.**

If you believe you have been turned away from the hospital or denied necessary care because of your inability to pay, contact the New York State Attorney General's Health Care Bureau.

Under New York State regulations, hospitals may not discriminate against you because of your inability to pay.

## **II. AFTER TREATMENT: DEALING WITH MEDICAL BILLS**

Even if you have incurred substantial medical debt during your treatment, you may be able to negotiate with your doctor or hospital to help you pay their bills. Keep yourself informed and remember your rights and options.

### **A. Keeping Track of Your Medical Bills**

Not every service provided during your hospital stay will be included in your hospital bill. The origin of the bill is a significant factor in determining whether you are entitled to a discount.

#### **1. Ask the hospital or your doctor for an itemized bill.**

An itemized bill lists all charges separately.

You have a right to know what you are being charged for.

#### **2. Read the itemized bill against your insurance policy, if you have one.**

Check which expenses you are responsible for, and which your insurance plan will cover.

#### **3. You can challenge the amount of the medical bill(s).**

Common reasons to challenge medical bill(s) include:

- You believe the bill was not calculated correctly;
- You believe your health service provider charged you twice for a single service;
- You believe your public/private insurance plan should have covered some or all of the charges on the bill.

#### **4. Keep track of your conversations about billing issues.**

Get the name of everyone you talk to about your medical bill(s).

Make note of the date and time and write a brief summary of the discussion(s).

#### **5. Send any correspondence to the doctor/hospital by certified mail, return receipt requested.**

Keep copies of the letters you send, along with the receipt card.

**6. If you cannot pay your medical bill(s), promptly contact your medical provider's financial aid office.**

You may qualify for discounted or free health care.

All medical bills must include the telephone number that patients can call if they have concerns about paying their bills or need assistance.

**B. Negotiating With a Doctor to Reduce Your Medical Bill(s)**

**1. Be sure to tell your doctor if you receive Medicaid.**

Medicaid doctors must bill Medicaid directly.

It is illegal for Medicaid doctors to bill Medicaid recipients more than what Medicaid pays for a procedure, even if you agree.

Make sure that your Medicaid is active on the date of the procedure(s).

**Note:** Non-Medicaid doctors cannot be reimbursed by Medicaid. Non-Medicaid doctors do not have an obligation to treat Medicaid patients. However, if the non-Medicaid doctor treats you, he/she may bill you only if they tell you before the procedure(s) that he/she does not accept Medicaid, and you agree to pay the medical bill(s) out-of-pocket in writing.

**Important!** If your Medicaid was active on the date of the procedure(s), and your doctor continues sending you medical bill(s) for that procedure, contact the Centralized Complaint Hotline of the New York State Department of Health (800.804.5447) or the Legal Aid Society's Health Law Helpline (212.577.3300).

**2. Tell your doctor if you have difficulty paying the medical bill(s).**

Ask for a discount and offer to send recent financial information, such as proof of income, recent bank statements, and proof of major expenses.

**Note:** Reports suggest that a medical office may be able to offer a discount of 10%-30%, depending on the practice, or propose an installment payment plan, typically at no interest.

**3. Tell your doctor if you have received financial assistance for your hospital bill(s).**

Ask your doctor if he/she would be willing to reduce his/her bill(s) on that basis.

**4. Ask your doctor not to send your bill(s) to a collection agency.**

Instead, offer to pay the bill(s) in monthly installment. If he/she agrees:

**5. Get the installment payment agreement in writing.**

If your doctor allows you to make monthly payments on your bill(s), make sure you have written proof of the agreement.

**6. Comply with your installment payment plan.**

If you cannot maintain the payments, talk to your doctor. If you simply stop paying, your account will probably be sent to a collection agency.

**C. Negotiating with a Hospital: Hospital Financial Assistance Law (HFAL)**

**1. Overview.**

Since implementation of HFAL in 2007, all public and private hospitals are required to offer financial assistance to low-income and/or uninsured patients.

Hospitals receive funding from New York State to compensate them for providing care to such persons.

Hospitals must offer a sliding-scale fee for uninsured patients living at or below 300% of the Federal Poverty Level (FPL). In some situations, patients' savings must be below a certain level.

HFAL requires hospitals to inform patients about the availability of financial assistance during registration and on all medical bills.

Hospitals must also post signs about financial assistance in public care areas, such as waiting rooms, outpatient clinics, and billing and Medicaid offices.

These notices must be in English and in any languages commonly spoken in the community.

HFAL also limits collection practices for hospitals.

It prohibits hospitals from issuing bills or collection notices while your application for financial assistance is pending.

**Important!** HFAL applies only to hospitals and health care providers who are directly employed by hospitals. If you are billed by doctors practicing at a hospital (hospital privileges), but not employed by the hospital, you do not have the same protections for their bills.

## **HFAL Eligibility Guidelines.**

The FPL sets out a “fee schedule” that hospitals must follow when providing discounts. In order to be eligible for HFAL, a household must be at or below 300% of the FPL. A sliding scale fee will apply between 100% and 300%. (Please refer to the Federal Poverty Guidelines table on the next page for further information.)

Depending on your income level, you may be eligible for a reduction of your bill:

- Patients **between 251% and 300%** of the FPL cannot be charged more than the hospital would charge a public health insurance plan.
- Patients **between 151% and 250%** of the FPL can be charged between 20% and 100% of what the hospital would charge a public health plan.
- Patients **between 101% and 150%** of the FPL pay on a sliding scale from the nominal fee up to (no more than) 20% of what the hospital would charge a public health insurance plan.
- Patients **at or below 100%** of the FPL may not be charged more than the following:
  - Inpatient Services: \$150 per discharge
  - Ambulatory Surgery and MRI testing: \$150 per procedure
  - Adult Emergency Room or Clinic Services: \$15 per visit
  - Pediatric Emergency/Clinic or Prenatal Services: no charge

**Example:** You have an MRI. Your monthly income is \$1,500 (or \$18,000 per year). Let’s say that in this case you are in the “151% to 250%” bracket of the FPL. You learn that the standardized charge for an MRI at the hospital is \$1,000. Under HFAL fee schedule, you should only be charged between \$200 (20% of the standardized charge) and \$1,000 (100% of the standardized charge). Since your income is close to the lower end of the sliding scale, your reduced charge will be closer to \$200 rather than \$1,000.

## 2019 Federal Poverty Level (FPL): Annual household incomes:

Household Size	100%	138%	150%	200%	300%	400%
1	\$12,490	\$17,237	\$18,735	\$24,980	\$37,470	\$49,960
2	16,910	23,336	25,365	33,820	50,730	67,640
3	21,330	29,436	31,995	42,660	63,990	85,320
4	25,750	35,535	38,625	51,500	77,250	103,000
5	30,170	41,635	45,255	60,340	90,510	120,680
6	34,500	47,735	51,885	69,180	103,770	138,360
7	39,010	53,834	58,515	78,020	117,030	156,040
8	43,430	59,934	65,145	86,860	130,290	173,720
For each extra person, add:	\$4,320	\$4,320	\$4,320	\$4,320	\$4,320	\$4,320

**Important!** Each hospital's financial assistance program is different. Some may assist patients up to 400% of the FPL, some have approval from New York State to consider patients' savings in determining their eligibility, and others may provide assistance with co-pays and deductibles. Most hospitals will consider exceptional circumstances on a case-by-case basis.

**Note:** Hospitals that have been approved to take patients' savings into consideration may do so only for patients whose income is at or above 150% of the FPL and must follow these rules:

- These types of savings are not counted:
  - Primary home;
  - Tax-deferred retirement savings account(s), such as IRA or ;
  - College savings account(s);
  - Cars regularly used by patient or immediate family.
- In any case, the hospital cannot use the information about your savings to deny financial assistance, only to increase the amount you owe. Even then, the hospital may not charge you more than what it would charge a public health insurance plan.

## 2. Immigration Status Eligibility.

Hospitals must make financial assistance available to all eligible patients, regardless of their immigration status, race, or language.

Hospitals have a duty to maintain patient confidentiality and they must not report a patient's immigration status.

### 3. Residency Requirements.

Hospitals must make financial assistance available for emergency services to eligible patients who reside anywhere in New York State.

### 4. Medical Services Not Covered by HFAL.

Patients may not receive financial assistance for the following services:

- Services not provided by the hospital;
- Services by provider(s) not employed by the hospital;
- Services that the hospital determines to be “not medically necessary” or “therapeutically contraindicated” (for example, cosmetic surgery); and
- Services provided by a hospital that only provides mental health services.

### 5. Applying for Financial Assistance under HFAL.

- **Ask your hospital** about how you can apply for financial assistance. Applications must be readily available and simple to understand and fill out.
- **Ask for help** in filling out the application if you have questions. Hospitals are required to provide assistance in completing the application.
- **Hospitals must allow 90 days** from the date of service/discharge for you to file the application.
- **You have 20 days to complete the application** once the application process begins.
- **Hospitals may not take action to collect on the bill(s)** from the day you file the application until it is processed. This rule does not apply to non-hospital provider's bills incurred during your hospitalization.
- **Hospitals may require you to apply for Medicaid as a pre-condition for receiving financial assistance**, if they reasonably believe you are eligible for Medicaid. However, you do not have to apply for and be denied Medicaid before you may apply for financial assistance at the hospital.
- **Be prepared to show proof** of your current income, address, and in some cases proof of resources, when you apply for financial assistance. However, you may not be denied

consideration for financial assistance because you cannot show proof of income.

- **Hospitals may not ask you to submit tax returns** and may not ask about monthly bills.
- **Hospital's decision on your application must be made within 30 days** after you submit your complete application. Hospital must inform you about your right to appeal an unfavorable decision.
- Hospitals **must provide written notice** that they have denied you financial assistance at least 30 days before referring your debt to collections.

## **6. When You Cannot Pay the Bill All at Once.**

The hospital must allow you to pay your medical bill in installments. Under HFAL, you may not be required to pay more than 10% of your gross income each month.

**Important!** If your financial needs change while you are in the process of paying the installments (for example, you lose your job), you should immediately notify the hospital's billing office that helped set up the payment plan.

## **7. Avoid Acceleration Clause.**

A hospital may ask you to agree to pay the entire amount due as penalty for missing an installment payment(s). This penalty is called an acceleration clause.

It is illegal for hospitals to use these clauses.

Do not sign any agreements that place responsibility for payment on your family members or legal representatives.

Do not agree to the provisions that require you to pay the hospital's debt collection costs.

## **8. If you do not qualify for financial assistance under HFAL.**

You may still be able to reduce what you owe or get more time to pay your medical bill(s).

Talk to the hospital about your other options. Be prepared to show proof of income, expenses, and possibly savings.

## **9. When a hospital does not comply with HFAL.**

If you believe that a hospital has violated your rights under HFAL, file a complaint with the

Centralized Complaint Hotline of the New York State Department of Health (800.804.5447).

Contact them if:

- You were not informed by the hospital about your right to apply for financial assistance;
- You were not provided with an application or the hospital's policy upon request;
- You were unable to apply for financial assistance because of the language barrier;
- You were required to present excessive or unnecessary information in the application process;
- You were contacted by a collection agency before receiving from the hospital a decision letter on your financial assistance application;
- You were required to sign an acceleration clause as part of your payment plan; or
- You are being forced to sell or give up your home because you could not pay your medical bill(s).

### III. WHEN ALL ELSE FAILS: DEALING WITH MEDICAL DEBT COLLECTION

If negotiating with the hospital/doctor fails, they may send your overdue medical bill(s) to a collection agency. When that happens, you may have to work with the collection agency directly to resolve your debt.

Under HFAL, the hospital must inform you 30 days in advance that it plans to send your account to a collection agency. You may still be able to apply for discounted or free health care or work out a flexible payment plan with the hospital even after your bill is sent to a collection agency. Under HFAL, the collection agency must follow the hospital's financial assistance policy and procedures.

#### A. Staying Informed About Your Rights

Under federal law (the Fair Debt Collection Practices Act or FDCPA), you have the right to receive a written notice of your medical debt, sent within 5 days after first being contacted by a collection agency. The notice must include:

- The amount you owe;
- The name of the creditor (the hospital/doctor seeking payment); and
- What action you can take if you think you do not owe some or all of the bill(s).

#### Increased Consumer Protection in New York State

In 2015, New York State implemented new consumer protection regulations that are broader than those provided under the FDCPA, including extending the time period for consumers to request and submit documents. The regulations should help to combat fraud and debtor confusion. They also address some of the questionable behaviors and practices that have been common in the debt collection industry. A debt collector who is licensed to operate in New York must comply with New York State's tougher consumer protection regulations. The provisions include:

**'Zombie' debts**: Some debt collectors try to collect on debts that are 'dead', because they are older than the six year statutory limit. Now, before they accept payment, the debt collector must provide you with a notice stating that:

- they believe the Statute of Limitations may have expired on the debt and that,
- if they take the case to court, you may be able to avoid paying the debt by informing the judge that the Statute of Limitations has expired.

**Written confirmation of settlement agreements:** If you have negotiated with the debt collector to pay them an agreed amount to settle the debt, the debt collector must:

- send written confirmation of the key terms of the debt settlement agreement made with you; and
- send you written confirmation once a debt has been paid off or settled.

Debts are often sold by the original creditor (e.g. a bank, or hospital) to a third party debt collector, from where it may be sold on to multiple debt collectors. In the past, debt collectors frequently agreed to settlements with consumers, who then paid the agreed amount, but later found themselves being chased for the same debt by a different collector. The regulations should provide protection in such cases as the consumer will have written proof of the settlement and confirmation that it has been paid.

**Opportunity for email contact:** If preferred, you have the right to communicate with debt collectors by using your own personal email, rather than by telephone. This may reduce the number of harassing phone calls and provide documentation of your interactions with the debt collector.

**Detailed initial disclosure by debt collectors:** When a debt collector first contacts you claiming that you owe them money, they must provide you with general information on debtors' rights and, in the case of 'charged (written) off' debts, provide specific information about the debt they are attempting to collect. This Includes:

- the amount owed when the debt was written-off;
- the amount of the debt that consists of interest, charges and fees;

In the past, it has been difficult for consumers to identify the source and amount of the debt they are being asked to repay. Under the regulations, debt collectors must provide information that clarifies the origin of the debt, and give a breakdown of the total amount, e.g. how much of it is the actual debt, and how much is added interest and fees.

**Substantiation of the alleged debt:** If you dispute (challenge) the debt, the debt collector must prove that you do, in fact, owe the debt.

- You can dispute the debt at any time during the collection process and can do so orally (e.g. in person or by telephone) or in writing. This gives broader protections to consumers than the FDCPA which requires the alleged debtor to challenge the debt in writing and to request verification within 30 days of receiving notice.
- Once you have challenged the debt, the debt collector must stop the collection process and provide you with documentation proving the validity of the debt, and the creditor's right to collect that debt, within 60 days.

## **B. Disputing the Amount of Your Medical Debt**

If you think you do not owe some or all of the charges:

- Send a letter to the collection agency within 30 days, stating that you are challenging the bill(s);
- Send a copy of this letter to the hospital/doctor who wants to collect on the bill(s);
- Tell the collection agency about the steps that you are taking to resolve this matter;
- Ask the collection agency not to take the matter to court while the issue is being investigated;
- Contact the hospital/doctor to explain the dispute. If it is a coverage issue, include information from your insurance carrier about the status of your insurance at the time you received medical care. Request that your medical bill(s) be submitted to all your insurers, if that has not already been done;
- If you receive Medicaid, tell the hospital/doctor and the collection agency;
- Send all correspondence to the hospital/doctor and the collection agency by certified mail, return receipt requested. Keep the receipts.

## **C. Your Rights With Respect to Harassment by Collection Agencies**

Collection agencies are not permitted to:

- Contact you at unreasonable times or places. They cannot call you before 8am or after 9pm unless you have given them permission to do so;

- Contact you at work if you tell them that your employer disapproves;
- Contact your friends, relatives, employer, or others, except to find out where you live or work;
- Tell your friends, relatives, employer, or others that you owe money;
- Threaten to harm your reputation, use swear words, or make frequent telephone calls;
- Threaten to have money deducted from your paycheck;
- Threaten to sue you, unless they or the hospital/doctor actually intends to do so, and it is legal to do so;
- Threaten to seize your personal property;
- Make any false statements, including saying that you will be arrested or that your children will be taken away;
- Contact you after you have sent them a Cease-and-Desist Letter, except to notify you that they intend to take specific action, like filing a lawsuit.

**Important!** If a collection agency does any of the above, they are harassing you. You can send them a Cease-and-Desist Letter, telling them to stop contacting you. State that you will report them to a government agency if they continue to harass you. If the collection agency continues to harass you, file a complaint with the New York City Department of Consumer Affairs (call 311 or 212.639.9675 or <http://www1.nyc.gov/nyc-resources/service/2475/debt-collection-agency-guide-or-complaint>) and/or the New York State Attorney General's Office of Consumer Frauds and Protection (800.771.7755 or <https://ag.ny.gov/>).

## IV. THE FINAL STEP: WHEN A HOSPITAL/DOCTOR SUES FOR UNPAID MEDICAL DEBT

### A. What to Do If a Hospital/Doctor or a Collection Agency Sues You for Unpaid Medical Bill(s)

The hospital/doctor or the collection agency must file a Summons to begin the court case. Copies of the Summons must be served on you, in person or by mail.

**Important! Do not ignore the Summons!** Take note of any deadlines and court instructions, or you risk losing by default. If you were served in person, you have 20 days to file an Answer. If you were served by mail, you have 30 days from time of delivery to file an Answer.

Your typical defenses may include:

- You had Medicaid or other insurance when you were treated, and the hospital/doctor failed to properly bill your insurance provider(s);
- You were eligible for Medicaid, but the hospital did not help you file an application, ask you to provide more documents, or tell you that your application was denied.
- You never received the bill(s) or other notice(s) that you owed money to the hospital/doctor;
- The charges are too high or are not correct;
- You have low income, and the hospital never offered you financial assistance;
- You have some other reason why you should not be responsible for all or part of the bill(s).

### B. What to Do If You Lose by Default

If you do not file an Answer, the hospital/doctor can win a Default Judgment against you on that basis alone. If you find out that the hospital/doctor has already won a Default Judgment against you, you can go to court and file an Order to Show Cause. You can then go before the judge and explain your story.

The typical reasons to file the Order to Show Cause are:

- You never received any court papers (Summons) from the hospital's/doctor's attorneys;
- You had insurance at the time of treatment(s) and thought that your insurer already paid

the bill(s);

- You could not make the court date because you were ill or for another good reason;
- Other reasons (contact a lawyer for advice).

### **C. Your Rights With Respect to “Freezing” Your Bank Account(s) Under EIPA**

If the hospital/doctor wins a Judgment against you, they can use it to “freeze” your bank account (this is called a “restraining order”). Generally, they can “freeze” twice the amount of the judgment, plus costs and interest.

**Important!** Under the Exempt Income Protection Act of 2009 (EIPA), the hospital/doctor cannot “freeze” or take any money from your account if it contains only “exempt funds”.

Exempt Funds/Government Benefits include:

- Social Security payments;
- Supplemental Security Income (SSI);
- Social Security Disability benefits (SSD);
- Public Assistance benefits;
- Alimony/child support;
- Pension;
- Unemployment benefits;
- Veterans’ benefits;
- Worker’s compensation;
- Certain earned income.

If you have \$2,850 or less in your account, the creditor cannot freeze take any money – even if it contains both exempt and non-exempt funds.

Even if there are no exempt funds in your account, it can contain up to \$3,600 before a creditor can freeze or take money from it.

**Note:** If you receive notice that your bank account has been “frozen,” act quickly to avoid

unnecessary bank charges:

- Complete the forms that the bank must provide you with to determine if your funds are exempt and return them to the bank and the hospital/doctor within 20 days.
- If the hospital/doctor fails to respond to your proof of exempt funds, the bank must release your account within 7 days.
- If the hospital/doctor disagrees with your proof of exempt funds, they must take the case to court, and court will decide if your funds are exempt.

## **D. Your Rights With Respect to Garnishment of Your Wages**

If you earn more than minimum wage, the hospital/doctor who wins a judgment against you can place a garnishment against your wages (an automatic deduction of a portion of your debt that goes directly to the hospital/doctor).

**Important!** The hospital/doctor cannot garnish more than 10% of your gross income.

Moreover, if your weekly disposable earnings (after taxes and Social Security deductions) is \$450 or less, the hospital/doctor cannot garnish your wages at all. The hospital/doctor can only take one garnishment at a time against your earnings.

**Note:** Your employer is not allowed to fire you because your wages are being garnished by the hospital/doctor.

## **V. RESOURCES GUIDE**

### **Government Insurance Programs**

Medicaid: Consumer Helpline NY: (800) 541 2831

Medicaid Cancer Treatment Program (Breast/Cervical/Colorectal/Prostate): (866) 442 2262

Medicare: (800) 633 4227

Child Health Plus: (800) 698-4KID (4543)

New York State of Health Helpline: (855) 355 5777

Prenatal Care Assistance Program (PCAP). Contact HRA: (718) 557 1399

### **Public Hospitals**

New York City Health and Hospitals Corporation: (646) 694 7090

### **Legal Advice and Counseling**

New Economy Project (formerly NEDAP): (212) 680-5100

The Legal Aid Society Health Law Unit: (212) 577-3300

Medicare Rights Center: (212) 869-3850

U.S. Office for Civil Rights: (646) 428 3800

New York City Bar Association (Legal Referral Service): (212) 626-7373 (Eng)

### **Advice on Filing for Bankruptcy**

City Bar Justice Center: Consumer Bankruptcy Project: (212) 626-7383 (Eng)

Legal Services NYC (Manhattan): (646) 442-3100

Legal Services NYC (Brooklyn): (718) 237 5500 or (718) 636 1155

Legal Services NYC (Bronx): (718) 928-3700

Legal Services NYC (Queens): (347) 592 2200

Legal Services NYC (Staten Island): (718) 233-6480

### **Complaints About Hospital Billing Practices**

New York State Department of Financial Services: (800) 342 3736

New York State Attorney General's Health Care Bureau Helpline: (800) 428 9071

Or send written complaints to: Consumer Assistance Unit, Department of Financial Services, One Commerce Plaza, Albany, New York 12257. The letter must include hospital name, description of the problem, insurance provider, policy number and claim number (if applicable), and copies of any other

documents that help to explain your problem.

## **Reporting Fraudulent Medicaid/Medicare Billing Practices**

Report Medicare fraud: (800) 447-8477 or (800) 633 4227

Report Medicaid provider fraud (Medicaid Fraud Control Unit): (212) 417-5397

## **Complaints About Harassment by Collection Agencies or Lawyers**

New York City Department of Consumer Affairs: Call 311 or (212) 639 9675

New York State Attorney General's Consumer Helpline: (800) 771-7755

New York State Attorney General's Health Care Helpline: (800) 428 9071

Federal Trade Commission: (877) 382-4357

## **Complaints About Interpreter Services at Hospital**

Office for Civil Rights of Health and Human Services: (800) 368-1019

New York State Department of Health: Call 311 or (212) 639-9675

## **Immigrant Concerns**

New York Immigration Coalition: (212) 627-2227

## **Appealing Health Insurance Coverage Denial**

New York State Department of Financial Services: (800) 342-3736

City Bar Justice Center (Cancer Advocacy Project): (212) 382-4785

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The information about prevention and collection of medical debt covered by this guide is intended to educate, but not substitute legal advice. If you have any suggestions for improving this guide or want to see names of other organizations included in future editions, please contact the Cancer Advocacy Project at:

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