

Know Your Rights About Medical Debt

Presented by
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Supervising Attorney



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House Keeping

Please keep your microphone muted.

Please put questions in chat or raise your hand.

Polls throughout presentation

Thank you!



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WHERE DIGNITY MEETS JUSTICE

Join Nassau Suffolk Law Services as we continue to illuminate pathways to justice under our new name, **Legal Services of Long Island (LSLI)**. Help us guide our communities and neighbors in need toward accessible free legal services for all.


LEGAL SERVICES
 OF LONG ISLAND

LEGALESERVICESLI.ORG

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Who We Are And What We Do

- Over 6,000 legal cases each year
- Free Legal Services for eligible Long Island Residents
- Direct representation, phone consultations
- Brief service or referrals
- Offices in Hempstead, Islandia, Riverhead
- Case handling staff includes attorneys, paralegals, and social workers
- Partnerships with Community Agencies



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Office Locations

Hempstead:

1 Helen Keller Way 5th Fl
Hempstead NY 11550
(516) 292-8100

Islandia (Western Suffolk):

1757 Veterans Hwy Ste 50
Islandia NY 11749
(631) 232-2400

Riverhead (Eastern Suffolk):

400 W. Main St Suite 200
Riverhead, NY 11901
(631) 369-1112



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Our Programs

Housing

- Civil Unit (Eviction Prevention)
- Foreclosure Project

Other

- Consumer Debt
- Education Debt Consumer Advocacy Project
- Veterans Rights
- Human Rights Project
- Public Benefits
- Adult Care Facility Unit
- Senior Citizen Project (Nassau)
- Pro Bono Project (Suffolk)
- Volunteer Lawyers Project (Nassau)
- Community Legal Help Project



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Our Programs

Family

- Domestic Violence Family Court Project (Suffolk)
- Child Support Defense Project

Disability & Health-Related Projects

- HIV Unit
- Mental Health
- ICAN - Advocates in Managed Long-Term Care
- Education and Disability Rights (Special Education and Rights of Developmentally Disabled)
- Disability Advocacy Project (SSD/SSI Appeals)



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Legal Support Center for Advocates:

Advocates call (631) 232-2400 for assistance:

Sharon Campo - x3368 Cathy Lucidi - x3324

Hannah Fitzpatrick- x3343

- Provide Technical Support to Advocates
- “Advocates” include legislative staff, social workers, outreach workers, medical personnel, and guidance counselors
- Host Community Trainings
- Publish Newsletters



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POLL



POLL

**What type of advocate are you?
Have you ever called LSCA?**



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Visit our Website www.legalservicesli.org

- All About Our Programs
- Sign up for our “Legal Lessons”
- Trainings
- “Self-Help” Resources
- Other Events



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Just a Note

Legal Services of Long Island makes every effort to keep legal educational materials up to date. The information contained in this material is not legal advice. Legal Advice depends upon the specific facts of each situation. These materials cannot replace the advice of competent legal counsel.



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Agenda

1. Medical bills and how to handle them?
2. What happens if you are in collections?
3. What if you are sued
4. What if you have a judgment?



Agenda



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POLL

Have you ever received a medical bill?



POLL



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What to do when receiving a medical bill and you are insured...

- Review Explanation of Benefits (EOB)
- Contact Health Insurance
- Contact Health Care Provider
- Document Conversations
- Make Appropriate appeals to health insurance provider



Receiving a Bill



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What is balance billing?

Balance billing occurs when a health care provider bills a patient for the difference between the provider's charge and the amount their insurance company pays. A type of balance billing that can be especially unexpected is called "surprise billing". This happens when a patient receives care from an out-of-network provider without knowing it, such as when they schedule a visit at an in-network facility.



The Surprise Bill Law



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What is the Surprise Bill Law (in NY- not applicable to self-insured)?

As of March 31, 2015, it is a surprise bill when your in-network doctor refers you to an out-of-network provider AND

- no written consent
- out of network provider treats you during your visit with a in-network doctor
- in network doctors sends to an out of network lab



The Surprise Bill Law



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How to resolve if you are being balance billed...

You should only be paying your in-network cost sharing. If you get a bill over this amount, you should send a [surprise bill certification form](#) to your health plan and provider.

If no resolution, file a complaint with the [New York Department of Financial Services](#).



How to resolve if you are being balance billed...



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What is the surprise bill law (Federal)?

For employer/union self-funded insurance coverage issued or renewed after January 1, 2022, the Federal No Surprises Act protects consumers from surprise medical bills from an out-of-network provider in an in-network hospital or ambulatory surgical center. This is not retroactive. More information can be found [on the CMS website](#).



What is the surprise bill law (Federal)?

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What to do if you are being balance billed?

For plans issued or renewed after January 1, 2022, submit a payment dispute with the Centers for Medicare and Medicaid Services.

<https://www.cms.gov/nosurprises>

For plans issues or renewed before January 1, 2022, a request can be made for independent dispute resolution (IDR) with the New York State Department of Financial Services. [IDR Patient Application](#)



What to do if you are being balance billed?



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What to do if you end up owing money to a health care provider and you cannot afford it?

- Contact provider to request financial assistance
- Negotiate lower and affordable amount and potentially payment plan



Unaffordable bills?

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A few things to remember...

Warning: health insurance companies send patient/account holder check for out-of-network providers

- Send check to out of network provider and get receipt of payment.

Medicaid Recipients should almost never receive a bill for medical services. (would need to be private pay agreement in writing with recipient)

Medicare recipients should contact 1-800-MEDICARE or their advantage plan if they receive an unexpected bill.

Fairhealthconsumer.org is a great tool to see what health care procedures cost in your area



Remember!



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POLL

Have you ever had a lapse in health insurance?



POLL



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What to do when receiving a medical bill and you are NOT insured...

Hospital Debt? Apply for Charity Care/Financial Assistance

- Must apply within 110 days of medical service
- Mandatory for patients under 300% of the Federal Poverty Level
- Repayment agreements cannot require more than 10% of the patient's gross monthly income

Apply for Medicaid

- Medicaid is three (3) months retroactive from date of application (if eligible at time of medical service)
- NY State of Health: (855) 355-5777

Many medical providers will reduce their rates for private pay so it helps to negotiate a lower amount with a payment plan



Medical Debt Without
Insurance



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What if you are in collections?

Response to Debt Collector Phone Calls

- Do not give any personal information over the phone
- Request something in writing regarding alleged debt

Response to Debt Collector Letters

- Request verification of debt
- Dispute Debt
- Cease Dunning (must honor)
- <https://www.daisydebtapp.org/>
- See sample dispute letters with handouts



Debt Collection



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Fair Debt Collection Practices Act (FDCPA)

- Collection agency can only contact between 8am and 9pm
- Cannot threaten to tell employers or neighbors about debt
- Cannot falsely threaten to take illegal action (i.e., arrest)
- Cannot harass, threaten, embarrass, or intimidate
- Consumer can sue for FDCPA violations



Fair Debt Collection Practices Act



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Medical Debt and Credit Reports

You can access your credit reports from Equifax, Experian, and Transunion, free once per week.

Get your credit report by going to www.annualcreditreport.com, or 1-877-322-8228, or print form at www.ftc.gov/credit and mail to: Annual Credit Report Request Service, PO Box 105281, Atlanta, GA 30348-5281

Errors or credit information older than 7½ years should no longer be on report



Medical Debt and Credit Reports



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Quiz:

In February of 2022, what percentage of New Yorkers had medical debt on their credit reports?



Quiz



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Medical Debt and Credit Reports

Medical Debt

- Effective July 2022, paid medical debt no longer on credit reports
- One year grace period to work with insurance and/or medical provider before debt listed on credit
- As of April 2023, medical collection debt less than \$500 will not be included in credit reports
- Removed nearly 70 percent of collection accounts from consumer credit files
- Proposed Rule to Prevent Most Medical Debt from Appearing on Credit Reports- *has not been finalized yet*
- **As of December 2023, New York bans hospitals, medical providers, or ambulance services from providing negative information about medical debt to consumer reporting agencies**
- Medical debt does not include debt charged to a credit card unless that credit card is offered specifically for the payment of health care services, products, or devices.

Judgments/Liens

- Starting July 2017, civil judgments and tax liens will be removed if missing basic identifying information (i.e., name, address, social security, and date of birth)
- Need at least 3 of 4 to be reported
- [Result is that all civil judgments and tax liens have been removed](#)



Medical Debt and Credit Reports



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Medical Debt and Credit Reports

Disputes

- Dispute information with each individual credit bureau via online, in writing, or on phone
- <https://www.consumer.ftc.gov/articles/0151-disputing-errors-credit-reports>
- Dispute with medical provider/collection agency who is reporting incorrect information

Id theft

- [Freeze credit report](#)
- [Fraud Alert with Credit Bureaus](#)
- File police report
- <https://www.identitytheft.gov/>



Medical Debt and Credit Reports



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What if you are sued...

Medical Debt actions must be filed in county where debtor resides, the procedure took place, or where the Plaintiff resides.

As of April 3, 2020, medical debt actions must be filed within three (3) years of the date of the service. Courts have determined this retroactive so far but still in question. Previously, statute of limitations (time to sue from date debt was incurred) was six (6) years.

Small Claims (under \$5000)

- If small claims, there will be a court date on the notice served- must appear or judgment will be entered; need to bring all supporting documents and make all arguments at hearing



The Lawsuit



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The Lawsuit

District Court (under \$15000) and Supreme Court (any amount)

- Summons served “in-hand”=20 days to respond
- Summons served via “suitable age and discretion” or via “nail and mail”=30 days to respond
- Respond by going to court clerk and filing answer and sending copy to Plaintiff’s attorneys
- There will not be a court date until after answer filed (unless small claims)



The Lawsuit



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After File Answer...

- Arbitration (district courts)
- Conference
- Hearing
- Motion for Summary Judgment
- If no defenses: try to get reduction and enter into affordable payment plan
- Request stipulation to include “grace period” (e.g., if payment not received by due date, Plaintiff will notify Defendant in writing and Defendant will have 10 days from date of notice to submit payment)



After File Answer...



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Types of Defenses

- Had health insurance during time alleged medical services were provided
- Dispute amount claimed
- Did not receive medical services
- Claim was paid
- Surprise Bill
- Medical Provider did not bill insurance properly
- Amount billed not fair and reasonable



Types of Defenses



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What if you have a judgment...

- Judgments can be collected upon for 20 years and renew for another 20 years every time a payment is made
- Must respond to information subpoenas within 7 days of receiving them
- As of November 2022, property liens for medical debt cannot be enforced against a debtor's primary residence AND a debtor's wages cannot be garnished for medical debt
- This does not apply to credit cards used to pay for medical debt (e.g. Care Credit)



Judgment Consequences



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Judgment Consequences



Judgment Consequences ctd.

- Frozen bank account: The first \$3,840 in account is exempt from lien. If exempt funds (i.e., Social Security, Public Assistance, etc.) are direct deposited to account, then more than the \$3840 could be exempt. Banks are guided by the Exempt Income Protection Act.
- New York Attorney General will garnish New York tax refunds for State Hospital judgments



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Debt Relief Options



Debt Relief Options

Bankruptcy

- Chapter 7 ("straight bankruptcy")
- Chapter 13 ("debt adjustment")

Financial Counseling

- Community Housing Innovations
- <https://www.communityhousing.org/services/financial-literacy/>
- Community Development Long Island Financial Counseling Workshops
- <https://www.cdli.org/financial-coaching-resources>



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Medical Debt Resources

Problems with Health Insurance Company

- ✓ [File complaint with Department of Financial Services](#)

Online or 1-800-342-3736

- ✓ [NY AG Healthcare helpline](#) 1-800-428-9071

Problems with Health Care Provider

- ✓ Contact NYS Attorney General
- ✓ Health Care Bureau helpline: [1-800-428-9071](#) or [online complaint form for a health care issue](#)

Apply for Health Insurance

- ✓ NY State of Health <https://nystateofhealth.ny.gov/> or 1-855-355-5777

Contact Legal Services of Long Island

- ✓ Medical Debt Lawsuit- Consumer Debt Defense Project
- ✓ Assistance with Medicaid Denial- Public Benefits Unit
- ✓ Medicaid Recipient and need help solving problems with your managed care plan- ICAN Unit
- ✓ Senior Nassau resident with health care questions – Senior Citizen Law Program



Medical Debt Resources



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QUESTIONS?



QUESTIONS?



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Thank you for attending!

Upcoming Presentations/Events:

Legal Resource Fair at Brentwood Library

on October 22nd from 5-8pm

Understanding the 17A Guardianship Option for Parents

on October 29th 1-2pm

Knowledge is Power: Legal Steps After a Domestic Violence Incident

on October 30th 1-2pm

Check out our website at
www.legalservicesli.org



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