Governor Murphy Announces Third Round of Medical Debt Abolishment



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On January 31, 2025, Governor Phil Murphy announced a third round of medical debt abolishment, benefiting over 20,000 New Jersey residents with a total of over $26 million in debt relief. To date, the Murphy administration has been able to eliminate $246 million in medical debt for 147,000 residents by leveraging federal funds from the American Rescue Plan and partnering with Undue Medical Debt, a non-profit that works with hospital systems to purchase and eliminate large bundled portfolios of medical debt. Those that qualify for such medical debt relief have annual income which is below four times the federal poverty level or have medical debts that equal 5% or more of their annual income. This initiative builds on previous work done to protect individuals from negative effectives of medical debt, including the signing of the Louisa Carman Medical Debt Relief Act in July 2024.

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