

# **Pritzker Highlights Proposal To Eliminate \$1 Billion In Medical Debt**

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**CHICAGO** - Today, Governor JB Pritzker joined Cook County President Toni Preckwinkle, the Department of Healthcare and Family Services, and advocates to

highlight the State's proposed \$10 million investment to eliminate up to \$1 billion in medical debt for 340,000 low-income Illinoisans. In partnership with Cook County, which already implemented a similar program for county residents, the event aimed to garner support for legislation that will fund a debt relief program statewide.

“Across our nation, individuals and their families are forced to reckon with near-impossible financial choices as the price tag on healthcare continues to increase,” **said Governor JB Pritzker.** “At a cost of around a penny for every dollar of medical debt we eliminate, we have the potential to eliminate billions of dollars of debt and help millions of Illinoisans. Working together with members of the General Assembly on this as we continue to negotiate and pass a balanced budget, this low-cost program to eliminate medical debt will alleviate a major burden on families across Illinois.”

"In Cook County, our [Medical Debt Relief Initiative \(MDRI\)](#) has already assisted over 200,000 residents and eliminated nearly \$350 million in debt. The stories of relief and gratitude we've received from participants underscore the impact the program is having on the lives of our residents,” **said Cook County Board President Toni Preckwinkle.** “We commend Governor JB Pritzker and the State of Illinois for launching their own program aimed at medical debt relief. Medical debt is a leading cause of bankruptcy and government has an obligation to tackle the financial barriers that affect our citizens' health and well-being. Medical debt relief is a crucial step, and it is part of a broader, equitable strategy to enhance the financial stability and support the holistic well-being of Illinois residents.”

In his FY25 Budget Address, Governor Pritzker introduced a four-year plan to eliminate an estimated \$4 billion in medical debt for over one million Illinoisans. The proposal includes a partnership with Undue Medical Debt (formerly known as RIP Medical Debt), a national nonprofit focused on abolishing financially burdensome medical debt and promoting systemic change for patients across the country. By working with Undue Medical Debt, the State will pay one penny (on average) to buy back and eliminate every one dollar of medical debt.

Undue Medical Debt acquires medical debts belonging to: individuals four times or below the federal poverty level or those whose medical debt is 5% or more of their annual income. Debt is acquired in large portfolios for a fraction of their face value and then recipients of debt relief are notified with a branded envelope letting them know the good news: some or all of their medical debt has been erased.

Beginning in FY25 with a \$10 million appropriation, the State can provide nearly \$1 billion in medical debt relief for the first cohort of 340,000 Illinois residents. Loyola

Medicine also recently announced they are joining the State's efforts and forgiving over \$112 million in medical debt for past and current patients, which will impact more than 60,000 Illinoisans.

“Medical debt can be a crippling burden for families, and this proposed investment will alleviate a major financial strain so that people can focus on what's most important: keeping themselves and their families healthy,” **HFS Director Elizabeth Whitehorn said.** “The proposed medical debt buyback program strongly aligns with the Department's mission, and will complement our ongoing work to eliminate barriers that prevent people from accessing high-quality health care.”

“We're thrilled to see state and county governments coming together to support the unburdening of residents with un-payable medical debts,” **said Undue Medical Debt CEO and President Allison Sesso.** “Governor Pritzker and President Preckwinkle exemplify passionate, practical leaders who understand the importance of both helping people here and now with medical debt relief while also continuing to explore upstream, policy solutions to the medical debt crisis.”

In Illinois, 14% of the population has medical debt in collections. However, communities of color are disproportionately impacted, with nearly 20% of the Illinois population in communities of color having accumulated medical debt in collections. Those struggling with the weight of medical debt face unique challenges, including an increased risk of bankruptcy, difficulties affording basic needs, and even pressure to forgo needed medical care.

In July 2022, the Cook County board approved President Toni Preckwinkle's proposal to begin partnering with Undue Medical Debt and provide relief to residents. By utilizing a portion of the county's American Rescue Plan Act Funds, Cook County has abolished nearly \$350 million in medical debt to date, benefitting more than 200,000 people. Undue Medical Debt collaborates with providers like hospitals and physicians' groups to acquire qualifying medical debts for abolishment.