



CITY OF NEW ORLEANS HEALTH DEPARTMENT

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FOR IMMEDIATE RELEASE

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The City of New Orleans Partners with Undue Medical Debt and Ochsner Health to Eliminate Medical Debt for Eligible Low-Income Patients

NEW ORLEANS, LA. (August 19, 2024) The [City of New Orleans](#), [New Orleans City Council](#), [Ochsner Health](#) and the national nonprofit [Undue Medical Debt](#) (previously RIP Medical Debt) are pleased to announce an agreement that will help erase more than \$59 million worth of past medical debt for about 66,000 qualifying patients living in New Orleans.

Impacted residents do not need to apply, and there is no application process. Instead, residents who qualify for this debt relief will receive a branded letter from Undue Medical Debt indicating which debt or debts have been eliminated. Undue Medical Debt works with hospital systems and other providers across the country to purchase portfolios of past due medical debt belonging to those least able to pay and then erases the debt.

Under Undue Medical Debt guidelines, those who qualify for this medical debt relief have medical debts that are 5% or more than their annual income or earn at or below four times poverty-level income. [The current federal poverty level](#) is an annual income of under \$31,200 for a family of four. Letters for residents who qualify for this one-time debt relief are arriving in the area now. Residents do not need to take any action, as the eligible medical debt will automatically be eliminated for those who qualify.

“We’re thrilled to be announcing this impactful medical debt abolishment in partnership with Ochsner Health, New Orleans City Council and the City of New Orleans,” said **Undue Medical Debt CEO and President Allison Sesso**. “Helping residents burdened by medical debt takes enormous collaboration and we’re

extremely grateful to all our partners who have made this possible. We hope this program provides financial and emotional relief to recipients and encourages them to continue engaging with the healthcare system.”

The City of New Orleans entered into an agreement [in May 2023 to partner with Undue Medical Debt and provide the national nonprofit with \\$1.3 million](#) in [American Rescue Plan Act \(ARPA\)](#) funding, or federal pandemic recovery funds, for the purpose of partnering with community-minded healthcare providers to acquire qualifying debt and erase it. Undue Medical Debt leverages these pandemic recovery funds as needed when collaborating with providers. The initiative aims to erase the existing medical debt of eligible New Orleans residents experiencing financial hardship. The medical debt elimination program was unanimously approved by the New Orleans City Council.

“This initiative will be transformational for our most vulnerable residents who have outstanding medical bills,” said **Mayor LaToya Cantrell**. “Medical debt is common in our state, especially following the COVID-19 pandemic, which we know had a disproportionately hard effect on New Orleans. My administration continues to be intentional about partnering with health providers to provide this medical debt elimination so we can improve people’s lives. Working stronger together, Ochsner is a strong community partner, and we commend them for collaborating with us on this initiative.”

A December 2020 analysis of credit reports [by the Consumer Financial Protection Bureau](#) found that about 22 percent of Louisiana’s population has medical debt. The Undue Medical Debt partnership helps further health equity efforts, as social risk factors exacerbate existing health disparities. Data shows communities of color are [disproportionately impacted](#) by medical debt.

“Medical debt can happen for many reasons,” said **Council President Helena Moreno**. “This initiative was created to help New Orleans residents who have past medical debt, especially those who have been disproportionately impacted financially and medically by COVID-19. This will provide financial reset for families and is a tremendous way to spend one-time federal dollars. I appreciate Ochsner’s leadership and partnership on this important initiative.”

The initiative to relieve medical debt for qualifying New Orleans residents is part of a larger partnership between Undue Medical Debt and Ochsner Health to relieve past debt for eligible lower-income Ochsner patients. All patients who qualify under this partnership will receive notices from Undue Medical Debt of their one-time debt erasure. ARPA funds from the City of New Orleans can only be leveraged to cancel the medical debts of city residents, otherwise Undue Medical Debt uses private funding for other qualified patients.

“Historically, medical debt is directly tied to poor health outcomes, as individuals often do not seek further care if they are saddled with bills they can’t pay,” said **Dr. Jennifer Avegno, Director of New Orleans Health Department**. “This initiative directly ties into our Community Health Improvement Plan strategic priority of accessible healthcare. Many families report choosing between paying off medical debt, buying food or paying their bills. This major win for patients in our city will help struggling individuals and more families will not have to worry.”

The collaboration with Undue Medical Debt is one of many ways in which Ochsner is providing affordable, accessible healthcare. The agreement complements Ochsner's longstanding practices to support and accommodate patients with low incomes, including through financial aid. Furthermore, Ochsner does not engage in predatory billing or sell patient debt to secondary collectors. Ochsner also helps any patient clarify insurance complexities and offers price transparency tools, including an online price estimator, to help avoid surprise bills. As part of the health system's commitment to its community, Ochsner regularly helps patients determine their eligibility for Medicaid, complete Medicaid applications, access drug copayment assistance and understand Ochsner's financial assistance policy. Ochsner also helps eligible patients access financial assistance and interest-free payment plans.

"Ochsner Health commends the New Orleans City Council and the City of New Orleans for collaborating with us and Undue Medical Debt to help eliminate medical debt for people in New Orleans. Ochsner is proud to have worked with Undue Medical Debt to enable the organization to acquire and cancel past one-time debts for eligible residents," said **Jim Molloy, executive vice president, chief financial officer, and treasurer for Ochsner Health**. "In addition to our other longstanding practices that underscore our commitment to providing accessible healthcare – such as refraining from selling debt to secondary collectors – our partnership with Undue Medical Debt makes healthcare more equitable and affordable for our patients."

To learn more about Undue Medical Debt, visit [About Our Organization – Undue Medical Debt](#).

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About the New Orleans Health Department

The mission of the New Orleans Health Department is to promote, protect, and improve the health of all in our community through equitable policies, programs, and partnerships.

About Undue Medical Debt

Undue Medical Debt (formerly RIP Medical Debt) is a national 501(c)(3) nonprofit that was founded in 2014 by former debt collectors. To date Undue Medical Debt has acquired — and abolished — almost \$12 billion of burdensome medical debt, helping over 7 million families and addressing a major social determinant of health. Undue Medical Debt purchases debts for a fraction of their face value in bundled portfolios and partners with individuals, faith-based organizations, government, foundations, and corporations to empower donors by converting every dollar contributed into \$100 of medical debt relief on average.

Undue Medical Debt partners with hospitals, health systems and physician groups to acquire medical debt for abolishment. Undue Medical Debt rose to national prominence on an episode of HBO's "Last Week Tonight" with John Oliver in which Undue Medical Debt facilitated the abolishment of \$15M in medical debt. To learn more, visit: <https://unduemedicaldebt.org/>

About Ochsner Health

Ochsner Health is the leading not-for-profit healthcare provider in the Gulf South, delivering expert care at its 46 hospitals and more than 370 health and urgent care centers. For 12 consecutive years, U.S. News & World Report has recognized Ochsner as the No. 1 hospital in Louisiana. Additionally, Ochsner Children's has been recognized as the No. 1 hospital for kids in Louisiana for three consecutive years. Ochsner inspires healthier lives and stronger communities through a combination of standard-setting expertise, quality and connection not found anywhere else in the region. In 2023, Ochsner Health cared for more than 1.5 million people from every state in the nation and 65 countries. Ochsner's workforce includes more than 38,000 dedicated team members and over 4,700 employed and affiliated physicians. To learn more about how Ochsner empowers people to get well and stay well, visit <https://www.ochsner.org/>.