



GOVERNOR JOSH SHAPIRO

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Governor Shapiro and Rep. Venkat Highlight Plan to Erase Medical Debt for Many Families Across Pennsylvania During Visit to Mifflin County Community Health Center

The Governor's proposed 2024-25 budget proposes a \$4 million investment to erase nearly \$400 million of medical debt for low-income Pennsylvanians.

Approximately 1 million Pennsylvanians carry some kind of medical debt and it disproportionately impacts rural counties – like Mifflin County.

Yeagertown, PA – Today, **Governor Josh Shapiro** joined **Representative Arvind Venkat** and **Primary Health Network CEO Dr. George Garrow** at the **Lewistown Community Health Center** in Mifflin County to highlight his [2024-25 proposed budget's \\$4 million](#) investment to erase nearly \$400 million in medical debt relief for Pennsylvanians – and his proposal to implement more transparent healthcare practices to prevent medical debt from being incurred in the first place.

During his [2024-25 budget address](#), Governor Shapiro called for investments to support Pennsylvanians who are being crushed by medical debt – especially those in rural communities. Medical debt impacts Pennsylvanians' access to quality healthcare and affects their credit – and with only **\$4 million**, the Commonwealth can erase nearly **\$400 million** in medical debt for low-income Pennsylvanians by partnering with nonprofits that buy that debt from health care providers for pennies on the dollar. Rural

counties in Pennsylvania are hit especially hard by medical debt – Warren, Greene, Bradford, Franklin and McKean counties have the highest percentages of residents who carry medical debt, with nearly 20% of Warren County residents carrying some kind of medical debt.

“As I’ve traveled across the Commonwealth, I’ve heard firsthand from Pennsylvanians who are struggling with high costs – including those being crushed by medical debt. Erasing medical debt is a practical, commonsense way that we can deliver real relief for folks all across Pennsylvania,” said **Governor Josh Shapiro**. “My budget helps those who are being crushed by medical debt with a \$4 million investment that we can use to erase nearly a quarter of all medical debt relief for Pennsylvanians. If we come together and make this commonsense investment, we can get this done and deliver for families all across our Commonwealth.”

Erasing \$100 of medical debt for just \$1 of investment is possible because of the way medical debt works. With hospitals and health care providers often selling outstanding debt to debt collectors for just pennies on the dollar, with an investment of \$4 million, Pennsylvania can erase \$400 million of medical debt. This program will be targeted to those who need help most – Pennsylvanians would qualify if their annual income is 400% of the federal poverty limit or less (\$60,240 a year for a single person or \$124,800 a year for a family of four), or the amount owed is at least 5% of their annual income. Under Governor Shapiro’s proposal, qualifying Pennsylvanians won’t have to apply for the medical debt relief; instead, a vendor selected to oversee the relief program will eliminate debt and inform the individual after the fact.

To further help eliminate medical debt for low-income Pennsylvanians, Governor Shapiro’s proposal also calls for healthcare providers to implement transparent practices to limit medical debt from being incurred in the first place.

“Medical debt is a burden on thousands of Pennsylvanians and raises health care costs for everyone in our state. As an emergency physician, I have seen patients who died from delaying care due to their fear of the medical debt they had and might further accrue,” said **Representative Arvind Venkat**. “As a legislator, I am proud to advocate for the Pennsylvania Medical Debt Relief Program that will provide relief to our fellow Pennsylvanians in need, prevent new medical debt from accumulating, help struggling hospitals, EMS agencies, and health care providers, and decrease a key driver of health care inflation in our Commonwealth. Thanks to Governor Shapiro’s leadership, we can make a real difference in the delivery of healthcare for all Pennsylvanians.”

The Lewistown Community Health Center is a part of the Primary Health Network and offers family medicine and behavioral health services. The Primary Health Network is composed of nearly 50 health center locations in Pennsylvania and northeast Ohio – and is the largest Federally Qualified Health Center in Pennsylvania.

“As a physician, I am well aware of the importance of not only treating illnesses, but also preventing them, thereby reducing the need for costly interventions down the line. The

mission of Community Health Centers like ours goes well beyond providing affordable care to individuals,” said **Primary Health Network CEO Dr. George Garrow**. “Health Centers play a crucial role in filling the overall gaps in healthcare, serving as a safety net, reaching out to underserved communities, rural areas, and populations with limited access to healthcare services. That’s why I’m honored to support Governor Shapiro and Representative Venkat in their efforts to commit to debt relief for low-income Pennsylvanians.”

Too often, a lack of access to comprehensive health insurance can lead to a life-defining financial crisis. As of [October 2023](#) in Pennsylvania, the total balance of medical debt in the Commonwealth was over **\$1.8 billion**, with 11 percent of Pennsylvanians carrying medical debt in collections with a median amount of \$500. In Mifflin County, **13 percent** of residents carry medical debt in collections, with the median debt averaging \$728. Mifflintown resident Kris McConnell, who carries medical debt, joined the Governor during today’s event and shared how medical debt relief would support her and her family.

“Medical debt has been a challenge in my life. Last year, both my husband and I needed surgery. We ended up with bills that added up to more than \$10,000 – that was for the surgeries alone. When we began receiving bills, it was just overwhelming,” said **Kris McConnell, Pennsylvanian carrying medical debt**. “The cost was astronomical – and the bills were very confusing and hard to interpret. We looked into financial aid, but it seemed that our income put us on the border of being eligible. I hope Governor Shapiro and Representative Venkat keep working hard to help families like mine.”

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One of the biggest costs facing Pennsylvanians is the overwhelming expense of health care, and the sky-high bills that often stack up. That’s why the Governor has created a three-part plan to cut health care costs. His plan would:

- Begin to erase the medical debt that Pennsylvanians currently hold, including many in rural communities, with the **\$4 million** in funding proposed in the 2024-25 budget.
- Reduce the price of health insurance premiums purchased through Pennie for over 500,000 Pennsylvanians and ensuring that at least 100,000 of those folks can afford to keep their health insurance.

- Improve transparency and accountability for Pharmacy Benefit Managers, whose behind-the-scenes practices are raising the price of prescription drugs for Pennsylvanians.

For more information on how Governor Shapiro's proposed budget will cut costs and deliver real relief for Pennsylvanians, visit shapirobudget.pa.gov.

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