

Medical Debt Abolishment Information

Motion

On June 10, 2025, Commissioner Alford moved to direct staff to investigate working with one of the groups to pay off medical debt for residents of Alachua County. Staff is to talk to Leon and Orange County to see how their programs worked and results.

Overview

Leon County was contacted and advised that they never had an official medical debt initiative that they funded. They looked into the feasibility and left it there. Orange County was contacted. They did successfully facilitate a medical debt abolishment initiative that they funded using their COVID related ARPA funds. They reported not using any general funds. They provided the vendor information as well as documents to their initiative.

Undue Medical Debt (UMD) is a non-profit, sole source provider for medical debt abolishment. When an initiative is established for a city, county, or state government-funded debt relief program, UMD identifies medical debt with regional research of provider groups and hospitals to purchase medical debt. We do not know how much they purchase the debt for. They facilitate the purchase agreement with the debt holders through wire transfer and the ownership of that debt is moved to UMD. UMD processes debt data for constituent information and invoices are generated. Press releases are coordinated with government partners, and letters go out to constituents informing them of their medical debt abolishment. Negative credit removal of constituents is confirmed, and demographic data is shared with the government partners (see Orange County Demographic Report.pdf).

Cost of Abolishment

One dollar in funding can abolish more than \$100 in debt. What is the breakdown of costs? Thirty seven percent is overhead costs and 63% are used for debt purchase and abolishment costs. The minimum funding amount is \$500k

There is an opportunity for a different kind of initiative for our County. UMD has already purchased \$30 million in medical debt for approximately 31,000 eligible individuals. Those individuals live in the following zip codes:

32605	32606
32607	32608
32609	32615
32641	32643

UMD is willing to abolish this debt for \$150,000. This is a 1:200 ratio. If this initiative/partnership was pursued, the timeline of executing the agreement would be much shorter than the typical 3 years that is required to start an initiative from scratch.

Who would be Eligible?

The program automatically identifies eligible residents via income criteria (less than 400% of federal poverty level). So, a family of four who makes less than \$124,800 would be eligible.

Potential Payoffs

Orange County used their ARPA Funds to invest \$4.5 million to abolish \$472 million in medical debt for 310,000 residents. Part of the benefits of this initiative was to help people rebuild their credit scores after COVID which would improve their access to loans, housing, or financial opportunities. Officials saw it as a way to alleviate economic burden and reduce stress for households facing medical crises, especially for the uninsured or under insured. Households relieved of debt were given information (presumably via a county web page) on how to access hospital charity care, no cost / low-cost medical services, and other financial assistance to reduce the risk of medical debt recurrence.

What Is UMD doing with AC debt they purchased if no public campaign or private donations pays for it?

An email was sent to UMD requesting clarification. They have not responded to the inquiry.

What are the charity care resources already provided by our hospital systems?

[UF Health Financial Assistance](#)

[Charity Care UF Health Webpage](#)

[UF Financial Assistance Program](#)

Customer Service 352.265.7906 option 2

- Family adjusted income must be 200% of federal poverty, may be eligible for 100% discount.
- Uninsured who are not eligible for financial assistance may be eligible for a self-pay discount of 45% off of gross charges.
- Complete and application
- 7 business days for UF Health to review.

HCA Financial Assistance

[Charity Discount Website](#)

- Must have greater than \$1,500 balance, and between 201% and 400% of federal poverty level
- Some HCA locations have additional criteria
- “uninsured discount” available