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*****FOR IMMEDIATE RELEASE*****

***Legal Aid Calls on Governor Hochul to Sign Legislation to Enact
Critical Reforms to Medicaid's Overpayment Investigation and
Collections Processes***

***Thousands of Vulnerable Medicaid Recipients Face Overpayment
Investigations Each Year, Resulting in Life-Crushing Debt for Many***

(NEW YORK, NY) - The Legal Aid Society called on Governor Hochul to sign critical legislation ([S4540/A5613](#)) that would stop unethical collection practices in Medicaid overpayment investigations and lawsuits — which can often result in New Yorkers facing life-crushing debt — and codify critical due process and consumer protections for Medicaid recipients. Last night, [S4540/A5613](#) was transmitted to the Governor for action.

In addition to addressing several of the most egregious aspects of the investigation and collections process in New York State, the bill would implement measures specifically tailored to address the impact of COVID-19 on Medicaid eligibility and acknowledge the severe financial hardship that many New Yorkers are facing in response to the public health emergency.

“New Yorkers receiving Medicaid are already extremely vulnerable, and it is completely unethical to subject these individuals and families to overly-punitive and unscrupulous Medicaid overpayment investigations and lawsuits that will drive them deeper into poverty,” stated **Rebecca Antar Novick, director of the Health Law Unit at The Legal Aid Society**. “Our clients and all New Yorkers should not face dire financial consequences for accessing the public benefits they need and are eligible for, especially while many are still reeling from the financial hardships caused by the pandemic. Governor Hochul must sign this critical legislation to protect families across the state.”

Background

The Medicaid investigation and collections process in New York is deeply flawed and rife with due process violations. In many cases, beneficiaries were eligible for Medicaid for all or part of the period of the investigation, yet they are pressured and even intimidated into signing settlement agreements they cannot afford, plunging them into oppressive debt just when they have started to get back on their feet.

Moreover, investigators sometimes discourage recipients from finding a lawyer or using interpretation services, improperly threaten negative immigration consequences for failing to sign an agreement, or threaten criminal consequences in circumstances in which criminal prosecution would not be warranted. Those impacted are often immigrants, those with limited English proficiency, and the working poor.

Current or former Medicaid recipients are subjected to collections even when, through no fault of their own, the local department of social services erred in approving the recipient for benefits. Recipients are not entitled to fair hearing rights in these investigations, unlike in some Public Assistance and SNAP overpayment investigations. The investigation process is fairly unstructured and rampant with due process concerns.

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The Legal Aid Society exists for one simple yet powerful reason: to ensure that New Yorkers are not denied their right to equal justice because of poverty. For over 145 years, we have protected, defended, and advocated for those who have struggled in silence for far too long. Every day, in every borough, The Legal Aid Society changes the lives of our clients and helps improve our communities. www.legalaidnyc.org