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

Legal Aid Statement on Governor Hochul Vetoing Needed Legislation to Reform Medicaid's Broken and Punitive Overpayment Investigations and Collections Processes

(NEW YORK, NY) - **The Legal Aid Society** released the following statement in response to Governor Kathy Hochul vetoing critical legislation ([S4540/A5613](#)) that would eliminate 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:

“We are deeply disappointed that Governor Hochul vetoed legislation that would have finally overhauled Medicaid’s broken and punitive overpayment investigations and collections processes which currently drive low-income New Yorkers further into debt and endless cycles of poverty,” said **Rebecca Antar Novick, director of the Health Law Unit at The Legal Aid Society**. “When the requirement of Medicaid programs to keep people continuously enrolled ends in April, tens of thousands of New Yorkers could lose critical coverage, and this veto was a complete missed opportunity to protect some of our most vulnerable neighbors ahead of that expiration. Regardless, we will work with lawmakers again this upcoming session to see this bill passed and signed into law.”

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