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Arizona Governor Cancels \$429 Million in Medical Debt for Over 352,000 Residents

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In a decisive move to ease the financial strain on Arizona's citizens, Governor Katie Hobbs has overseen the cancellation of \$429 million in medical debt for more than 352,000 residents. Partnering with the nonprofit organisation Undue Medical Debt, this initiative marks a significant step in what Hobbs calls the "Arizona Promise," aimed at bolstering economic stability across the state. In a recent statement, Hobbs declared, "Economic

security is at the heart of the Arizona Promise, and we've taken bold steps to relieve Arizonans from the weight of crippling medical debt."

This relief program targets individuals earning up to 400% of the Federal Poverty Level or those whose medical bills constitute at least 5% of their annual income. Eligible residents will receive notification of their debt cancellation via a letter from Undue Medical Debt, with no application process required. The simplicity of this approach ensures swift and direct relief for those burdened by medical expenses.

The initiative forms part of a broader ambition to erase \$2 billion in medical debt across Arizona, funded through the American Rescue Plan Act. These federal funds allow the state to purchase medical debts from hospitals and collection agencies at a reduced rate, subsequently cancelling them entirely. According to official figures, Arizona's total medical debt is estimated at \$2.4 billion, underscoring the scale of the challenge. Allison Sesso, CEO and president of Undue Medical Debt, praised the collaboration, stating in a recent interview, "We're delighted to work with Governor Hobbs and Arizona to deliver this transformative relief." Sesso highlighted the program's role in sparing residents from financial ruin due to essential healthcare costs.

The impact on Arizonans is both immediate and deeply personal. Charity, a Scottsdale resident, shared her relief with the governor's office: "I was utterly shocked and immensely grateful to learn this debt was cleared in full through such generosity." Similarly, Jordan, a self-employed resident from Surprise, AZ, told the governor's office that the cancellation has brought him "closer to financial stability" after years of grappling with high premiums and inadequate coverage. In Phoenix, Corina described the freedom of escaping a seemingly endless cycle of medical debt, a sentiment echoed by many beneficiaries.

This program transcends mere financial aid, offering Arizonans a fresh start and alleviating the stress of unmanageable debt. By addressing a critical issue with pragmatism and compassion, Governor Hobbs' administration has set a precedent for tackling systemic economic challenges head-on. The partnership with Undue Medical Debt demonstrates a commitment to practical solutions, ensuring that no one in Arizona faces financial devastation for seeking necessary medical care.