



MONTGOMERY COUNTY, MARYLAND
WOMEN'S DEMOCRATIC CLUB

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**Senate Bill SB0514 Health Facilities – Hospitals-Medical Debt Protection
Senate Finance Committee – February 25, 2021
SUPPORT**

Thank you for this opportunity to submit written testimony concerning an important priority of the **Montgomery County Women's Democratic Club (WDC)** for the 2021 legislative session. WDC is one of the largest and most active Democratic Clubs in our County with hundreds of politically active women and men, including many elected officials.

Providing efficient, cost effective health care to all Marylanders is a legislative priority along with assuring fair access to underserved communities and the poor. Hospitals in Maryland should not be engaging in predatory practices, including lawsuits that put low-income patients in grave financial jeopardy to recover modest sums. Therefore, **WDC urges the passage of Senate Bill SB0514.**

This bill will among several other things prohibit hospitals from placing a lien on a patient's home or car, prohibit hospitals from pursuing wage or bank garnishment to collect medical debt if a patient is uninsured, require hospitals to offer monthly payment plans to patients, limit monthly payments to 5% of gross monthly income and cap interest rates at 1.5% per year. It will also prohibit hospitals from filing lawsuits to collect on low-value debts of \$1,000 or less. Hospitals would also be required to report specific medical debt information to the Health Services Cost Review Commission on an annual basis, which must then make the reports public.

Medical debt is a major problem for Marylanders, especially those from low-income households and among communities of color. According to the National Consumer Law Center's *Maryland Debt Collection Fact Sheet*, 15% of Maryland residents report having medical debt, while 21% of those in communities of color report owing medical debts. Recognizing the high cost of hospital care, the state of Maryland already provides financial support to hospitals through the rate setting system to ensure hospitals provide free and low-cost care to patients. Despite this mandate Maryland hospitals sue patients, many of whom qualified for but didn't receive free care. Between 2009 and 2018 Maryland hospitals filed 145,746 lawsuits against former patients. In 36,370 cases patients had their wages garnished and their bank account wiped out or a lien put on their home or car. In 3,278 cases the hospital debt drove the patient to declare bankruptcy. The median debt owed: \$944. While this debt is enormous for the patient, it's a pittance for hospitals.

Maryland is behind many other states in providing these protections to residents. It's time to eliminate predatory medical debt collection practices by Maryland hospitals.

We ask for your support for SB0514 and strongly urge a favorable Committee report.

Respectfully,

Diana Conway
President