

Medical Debt Protection Act / HB565
Official Testimony
Position: **FAVORABLE**

To the *House Health & Government Operations Committee*,

My name is Stephen E. Snyder. I am a long-time Baltimore City resident and a member of End Medical Debt Maryland. I support the Medical Debt Protection Act (HB565/SB514).

As drafted, this bill will prohibit hospital debt lawsuits for \$1000 or under, set limits on income-based repayment plans, and prevent resulting wage garnishments and liens on homes. As a former hospital middle manager I have seen first-hand how much waste exists in the struggle between hospitals and insurers over who will pay for necessary care, and how much effort goes into collecting the leftovers - small debts that really do not matter to the hospital. The supervisors who run collections departments will tell you this is required by federal law, and the way to stay out of trouble with Medicare is to be aggressive in collecting debt. By setting limits on collection activities Maryland can reduce the misery collection activity causes with negligible impact on the financial health of hospitals.

People in poor health owe money to hospitals because they are in poor health. They need care but being sick usually increases expenses and reduces income; so, they are financially stressed because they are in poor health. Collection activity generates greater debt through attorney's fees. People can lose cars and homes over what was originally a few hundred dollars they were unable to pay. This reduces their ability to work and organize a life. The likelihood they become public charges increases. In the end, not much money is collected because hospitals cannot squeeze blood from a turnip, though it seems they try. The median debt owed to hospitals by individuals is under \$1,000!

I have a relative who is disabled due to multiple strokes. She is poor enough to qualify for Medicaid, but her intellectual disabilities prevent her from completing the application. Hospitals send her collection notices, but there is nothing to collect. All the bills do is add depression to her other medical conditions.

There are many opportunities to make our health care system more effective and efficient. Ending lawsuits over small hospital debts is the lowest-hanging of the low-hanging fruit.

I respectfully urge this committee to issue a favorable report on the HB565/SB514, the Medical Debt Protection Act.

Sincerely,

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