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Maryland General Assembly

House Health and Government Operations Committee

Testimony of Richard Alexander, RN, CMSRN, National Nurses United

In Support of HB565 - Health Facilities –Hospitals –Medical Debt Protection

February 16, 2020

Chair Pendergrass, Vice Chair Peña-Melnyk, and members of the Committee, thank you for the opportunity to speak with you today.

My name is Richard Alexander. I am a registered nurse working in an orthopedic trauma unit of an acute care hospital. I am a resident of Montgomery County and a former resident of Washington County, where I attended nursing school. I am a proud member of National Nurses United, the largest union of registered nurses in the country.

At the bedside, I work every day to help victims of trauma heal. The nurses and other caregivers at my hospital care about our patients, and I know that hospitals can and should be a place of healing and comfort. Our patients should be focusing on healing from trauma, not on worrying about medical debt or the hospital suing them to collect. And it would be horrible to think that some of our patients might delay or avoid necessary care because of that worry. Patients who postpone care can get worse, and the Covid-19 pandemic has really driven home the understanding that avoiding necessary care can put lives at risk and can lead to more spread of disease.

Many of my Covid-19 patients have waited until they needed to be brought in by ambulance to receive care, because as scary as Covid-19 is, the fear of being able to pay for care was a bigger concern. Patients who postpone care because they are too worried about how they will deal with the medical bills after discharge can negatively impact outcomes and the risk of readmission increases. Putting patients first is why I became a nurse.

We have a crisis in our state. Over a ten-year period ending in 2018, more than 145,000 Marylanders were sued by hospitals for medical debt, affecting every county in the state, according to a report released last year. While the number of suits varied by county and district, each of you have hundreds or even thousands of constituents who may be the target of such suits. And many of those constituents will be put at risk of bankruptcy, will lose their homes, will have their wages garnished or their credit impacted, and may well put off future medical care or other vital necessities because of those lawsuits.

If you look at the report published by National Nurses United, entitled *Preying on Patients: Maryland's Not-for-Profit Hospitals and Medical Debt Lawsuits*, which I would ask to be submitted into the record, you can see how many residents of your counties have been impacted.

It is also worth noting that, while there are a significant number of Maryland hospitals who engage in this predatory behavior, not all of them do. I think that shows that suing low-income patients is not necessary for Maryland hospitals to thrive.

Maryland patients need the General Assembly to step forward to ensure that our hospitals not only provide the quality care that Marylanders rely on, but do so in a compassionate way. And they can certainly afford to do so. Maryland's hospitals had operating revenues over a ten-year period of \$147 billion and had net income of \$5.68 billion. The total amount they sued patients for was under \$269 million. That means these lawsuits are only a small fraction of 1% of hospital revenue. The lawsuits are not important to hospitals' bottom lines but they can be devastating to patients.

This bill, HB565, will expand consumer protections for medical debt collection to protect patients. The key provisions of the legislation are as follows.

- The bill will prohibit hospitals from the outrageous practice of placing a lien on a patient's home.
- It will stop hospitals from the dangerous practice of garnishing wages to collect medical debt if a patient is uninsured, or qualifies for free or reduced-cost care.
- This bill requires hospitals to wait to start medical debt collections until after patients have completed their appeals to their insurance company, applied for financial assistance, or completed their requests for reconsideration of financial assistance.
- It requires hospitals to offer fair monthly payment plans to patients with fair interest rates, so that they can reasonably pay back their debt.
- The bill will prevent unnecessary damage to credit scores which can negatively impact patients and their families.
- It will prohibit hospitals from suing patients over low-value debts of \$1,000 or less.

And the bill will include particular measures to ensure that many individuals who are sued over medical debt and who qualify for free or reduced cost are given every opportunity to get the financial assistance they need. Specifically, it requires hospitals to screen patients for eligibility for financial assistance before suing, and it will prohibit lawsuits against patients who were uninsured at the time they received care.

These are the most important parts of the legislation before the committee today. Additionally, it will create certain notice requirements before hospitals file lawsuits, prohibits certain claims, requires the HSCRC to report on and publish detailed data on medical debt and collections as well, so that we can have up-to-date data for reevaluating down the road, and determine if further steps need to be taken.

This committee must address the medical debt collections crisis in our state and take real, substantive steps to reform dangerous billing and collections practices of our not-for-profit hospitals. I appreciate the efforts by Delegate Charkoudian and Senator Feldman to engage with

the hospitals in our state since last year to hear their point of view and to engage with them on how best to move forward.

Nurses, doctors, and other caregivers in my community and across the state are dedicated to providing quality care to all of our patients. It is vital that our hospitals reflect the values of the people of our state and do not put the welfare of our patients at risk.

This bill, if enacted, will take an important step to protect Marylanders. Please pass this measure with a favorable recommendation and with its strong patient protection provisions intact.

Thank you for your consideration.

National Nurses United (NNU) is the largest union and professional organization of registered nurses in the country, representing more than 170,000 members, including thousands of Maryland residents. NNU works with nurses to improve patient care and working conditions at hospitals, advocate for nurses and patients, and win health care justice and quality health care for all. For more information about National Nurses United's work in Maryland, please contact Kenneth Zinn, Mid-Atlantic Regional Director, at kzinn@nationalnursesunited.org or call 240-235-2000.