

LORIG CHARKOUDIAN  
Legislative District 20  
Montgomery County

Economic Matters Committee

*Subcommittees*

Public Utilities

Chair, Unemployment Insurance



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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

HB 694 – HOSPITALS- FINANCIAL ASSISTANCE- MEDICAL BILL REIMBURSEMENT

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN  
MARCH 30, 2022

Chair Kelley, Vice Chair Feldman, and Members of the Finance Committee,

In the 2020 Session, the General Assembly passed HB 1420. It required a report from the Health Services Cost Review Commission (HSCRC). Among other findings, the report found that “approximately 1% of total hospital charges to individuals who likely qualify for free care are paid by those individuals (this amounts to approximately \$60 million statewide).” That is, **hospitals likely collected \$60 million per year in 2017 and 2018 from individuals who qualified for free care.**

This bill commissions the HSCRC to develop a process for hospitals to reimburse the individuals who paid out of pocket for free care they should have received. The Commission will determine an appropriate process to complete the following tasks:

- identify the patients who paid for hospital services and may have qualified for free care during fiscal years 2017, 2018, 2019, 2020, and 2021
- provide reimbursement to the patients
- ensure that a patient’s alternate address is used if the patient requested an alternate contact address for safety reasons
- allow the Department of Human Services and the Office of the Comptroller to share or disclose relevant information for the purposes of identifying individuals who qualify for reimbursement

On or before Jan 1, 2023, the Commission shall report to the Senate Finance Committee and the House Health and Government Operations Committee on how hospitals can develop and implement this process and recommend any necessary legislation that is needed to support the implementation. If no statutory changes are required, each hospital shall start implementation of the process on or before Jan 1, 2023.

Hospitals in Maryland are awarded tax-exempt status because of their legal commitment to provide free and low cost care to individuals who cannot afford healthcare services. This legislation will support hospitals in meeting their legal obligations to the state.

I respectfully request a favorable report on HB 694.