



## TESTIMONY TO THE SENATE FINANCE COMMITTEE

### HB 694: Hospitals- Financial Assistance- Medical Bill Reimbursement

**POSITION: Support**

**BY: Nancy Soreng, President**

**DATE: March 30, 2022**

The League of Women Voters of Maryland (LWVMD) **supports House Bill 694**, which directs hospitals to reimburse patients who were billed, and had paid, charges which should have been covered under the hospitals' financial assistance programs. Those patients had qualified for free care because their income was below 200% of the federal poverty level. Thus, they were the least likely to be able to manage and pay medical debt. Refunding what was paid due to hospital error is a matter of patient rights and consumer rights.

In the 1990's, the League of Women Voters developed a comprehensive position supporting a health care system that would provide affordable, quality health care, while protecting patient rights. The League lobbied in support of a strong Patients' Bill of Rights, which was ultimately included in the Affordable Care Act.

Each Maryland hospital is mandated by law to develop and implement a financial assistance policy to provide free care and reduced cost care to low-income individuals who either lack health insurance or whose coverage is inadequate to cover hospital charges. It is also mandated that if charges are erroneously billed and collected from a patient who should have been eligible for free or reduced-cost care, the hospital must refund those charges.

A February 2021 report from the Maryland Health Services Cost Review Commission: ***Analysis of the Impact of Hospital Financial Assistance Policy Options on Uncompensated Care and Costs to Payers*** analyzed Maryland hospitals' billing practices. The HSCRC determined that in CY 2017 and CY 2018, **Maryland hospitals incorrectly billed, and collected, millions of dollars from patients who had been eligible for free care.**

Per the **Executive Summary** of the report:

*-HSCRC determined that approximately 60% of UCC (i.e. unpaid charges) attributable to individuals with a household income under 200% of the federal poverty level (FPL) is reported by hospitals as bad debt, rather than free care. Hospitals are required by*

*statute to provide free care to patients below this income level. The analysis in this report suggests **that hospitals attempted (and failed) to collect this debt from a sizable number of patients likely eligible for free care. In addition, approximately 1% of hospital charges to individuals who likely qualify for free care are paid by those individuals (this amounts to approximately \$60 million statewide).***

**House Bill 694** details the procedure by which the HSCRC, the Office of the Comptroller and the Department of Human Services would work together to identify and notify those patients who had paid hospital charges incorrectly billed to them, and the hospitals would provide reimbursement.

Reimbursing them is a matter of fairness, and is a matter of patient and consumer rights.

**The League urges the committee to give a favorable report to House Bill 694.**