



### **Americans for Patient Access**

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Suite 300  
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Chairwoman Delores Kelley  
Senate Finance Committee  
3 East  
Miller Senate Office Building  
Annapolis, Maryland 21401

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Leigh J. Maltby, *Associate Director*  
*Americans for Patient Access*

March 9, 2022

### **Re: SB 825 Consumer Credit - Commercial Financing Transactions Position: Favorable with Amendment**

Good afternoon, Chairwoman Kelley, Vice Chair Feldman, and  
Committee Members,

My name is Leigh Maltby. I am the Associate Director of Americans for  
Patient Access. First, I would like to thank Senator Kramer for his time  
yesterday to carefully listen to our concerns and willingness to accept our  
amendment as friendly. We are all trying to avoid unintended  
consequences.

Americans for Patient Access is a national, nonprofit trade organization  
that supports innovative medical lien solution programs that provide  
physicians with financial capital they need to provide lien-based care to  
personal injury patients while waiting for the final resolution of the  
personal injury case.

Our membership consists of physicians and specialty finance companies  
that factor medical receivables owed to a health care provider by an

injured person.

The APA works to provide immediate access to necessary and quality healthcare for uninsured  
and under-insured patients who have been injured through no fault of their own, and to aid  
medical providers in offering their services to as many patients as possible, regardless of the  
patient's ability to pay. We are a financial solution to medical providers that want to treat  
personal injury patients, but cannot wait 2-4 years to get paid, if at all, from the underlying legal  
claim.

By factoring those receivables, physicians get immediate, prompt, guaranteed payment and can  
keep their doors open to personal injury patients.

We believe that the definitions of 'commercial financing', including factoring, and 'provider' as  
one who engages in 'commercial financing' clearly implicate how we operate.

We do not believe medical factoring was the target of this bill, but as drafted, it will be  
impossible for our members to comply with the disclosure requirements. For example, our

factoring transaction is an outright sale and purchase, so the concept of APR in the bill does not apply in our business model. There is no APR – it is just sale price and payment price. Our members want to be compliant providers of commercial financing in the state of Maryland, but the disclosure requirements in SB 825 would create confusion for our medical providers and complicate our agreements.

We also have a concern that this bill mandates the adoption of the regulations adopted by the New York State Department of Financial Services regarding commercial financing. It is our understanding that those implementing regulations have yet to be promulgated. Thus, we do not know how those regulations would impact our transactions in Maryland and would make Maryland law subject to the vagaries of any amendments to the New York regulations in perpetuity.

The APA is in favor of transparency. As business partners to medical providers, we are transparent in disclosing how we calculate the amount paid to or advanced to the physician, the discount on the receivables purchased, and the circumstances, if any where the medical provider would owe the factoring company any repayments.

We want to continue to do business in this state as we provide meaningful financial assistance to medical providers across Maryland that treat personal injury patients and improve patient access to quality medical care.

We request an amendment that would specifically and explicitly exempt our business model from this bill. This language should be inserted in the exemption section, 12-1102, starting on page 7, line 7:

[.] OR;

***“A COMMERCIAL FINANCING TRANSACTION THAT IS THE FACTORING, PURCHASE, SALE, ADVANCE, OR SIMILAR, OF ACCOUNTS RECEIVABLES OWED TO A HEALTH CARE PROVIDER AS A RESULT OF A PATIENT’S PERSONAL INJURY TREATED BY THE HEALTH CARE PROVIDER.”***

With this amendment, and not passing on the merits of the intent of the bill, we can support, favorable with amendments.

Respectfully submitted,

Leigh J. Maltby, Associate Director

Americans for Patient Access

CC: Senator Ben Kramer