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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 2, 2022

Chair Pendergrass, Vice Chair Peña-Melnyk, and Members of the Health and Government Operations 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 creates a process to inform these individuals that they likely would have qualified for free care at the time of service and to provide them with a path to get reimbursement.

The process for reimbursement will involve four steps. First, the HSCRC will share billing/payment data with the Comptroller’s office. The Comptroller’s office will identify who was eligible for free care based on income and pass the remaining data on to the Department of Human Services. DHS will identify who may have been eligible for free care based on presumptive eligibility. Those identified as eligible or presumptively eligible will be sent a postcard instructing them to reach out to the hospital to confirm if they are owed a reimbursement.

Individuals and households with presumptive eligibility include households with children in the free or reduced meals program, SNAP participants, low-income-household energy assistance program participants, Primary Adult Care Program (PAC) participants, and WIC participants.

The first set of postcards will be mailed in July 2022 based on the two years analyzed in the study- 2017 and 2018. If a minimum threshold of 5% of participants elect for reimbursement, the process will begin for individuals who received hospital services in fiscal years 2019, 2020, and 2021. These postcards will be mailed in July 2023.

The cost of the data processing and postcard mailing will be paid for by hospitals, based on the number of postcards that need to be sent for each hospital. As such, this will be done at no additional cost to the state.

I respectfully request a favorable report on HB 694.