



END MEDICAL DEBT MARYLAND

TESTIMONY ON HB 694

Hospitals - Financial Assistance - Medical Bill Reimbursement

Position: **FAVORABLE**

To Chair Pendergrass and Members of the Health & Government Operations Committee:

We are End Medical Debt Maryland, a statewide coalition of nearly 70 organizations and dozens of volunteers. Our members are labor unions, faith leaders, patients, health justice advocates, consumer rights proponents, lawyers, healthcare workers, and community members impacted by medical debt. Collectively, we represent over 350,000 Marylanders. Our coalition's goal is clear: we fight for legislation that will ultimately end medical debt. We endorse **HB 694: Hospitals - Financial Assistance - Medical Bill Reimbursement**, and we urge the committee to issue a **FAVORABLE** report.

WHY HB 694 MATTERS TODAY

HB 694: Hospitals - Financial Assistance - Medical Bill Reimbursement responds to the shocking [report](#) by the Health Services Cost Review Commission (HSCRC) that Maryland hospitals collected an estimated \$60 million from patients who were legally entitled to *free* medical care in both 2017 and 2018. The report was published last year, as mandated by this very House HGO Committee in HB 1420: Hospitals Financial Assistance Policies & Bill Collections Act of 2020.

This \$60 million annual sum is just what free-care eligible patients paid toward their bills — meaning the total amount these patients were pursued for by hospitals, via debt collectors and lawsuits, is presumably far higher. This data makes it clear that ***Maryland hospitals are failing on their legal obligation to provide financial assistance to low-income patients.***

HOW HB 694 WORKS

This legislation is a necessary response to hospitals wrongfully billing low-income patients. HB 694 will direct state agencies and hospitals through a **three-step process** to reimburse patients from whom hospitals erroneously collected money in 2017 and 2018:

1. **Identify** — The Office of the Comptroller and the Department of Human Services (DHS) run independent analyses to identify patients who qualified for free medical

care in 2017 & 2018 but paid toward a hospital bill. Analysts from both the Office of the Comptroller and the Department of Human Services have confirmed that this is a reasonable approach, and that their data can readily determine the patients who were wrongfully charged in 2017 and 2018.

2. **Notify** — Patients identified through this discovery process receive a notification in the mail alerting them that they are eligible for reimbursement from their hospital and outlining the steps to request their refund. Patients do not need to prove their eligibility, which has already been established by state agencies in step 1. Per HB 694, the mailings will be sent at the expense of hospitals. End Medical Debt Maryland supports amendments to ensure the protection of patient privacy in this mailing process.
3. **Rectify** — Hospitals reimburse patients who have made claims, moving one step closer to accountability. If enough patients file for reimbursement through this process, it will trigger an inquiry into hospital debt collection practices in 2019, 2020, and 2021, a vital step to ensure that hospitals are operating within the policies and regulations of the state of Maryland.

HB 694 LEADS US INTO THE FUTURE

You may hear misleading claims from opponents who want to weaken this legislation. The truth is:

- **This legislation does not require hospitals to pay damages.** It simply requires them to return funds paid by low-income patients who never should have been charged in the first place. HB 694 gives Maryland hospitals the chance to rectify their own mistakes.
- **The bill's provisions are simple, straightforward, and ensure that every patient receives justice.** Together, DHS and the Office of the Comptroller are able to run analyses to identify ALL patients who should have received free healthcare in 2017 and 2018, whether they were wrongfully charged for care, and the amount they paid. The DHS component is necessary, because Marylanders at the lowest income levels may not file taxes with the Office of the Comptroller, but do receive services through DHS. The participation of DHS in this process is vital to ensure that the lowest-income Marylanders receive the hospital restitution they deserve.
- **HB 694 recognizes Maryland's progress toward equity in medical billing.** HB 694 triggers further inquiry into hospital collection practices in 2019, 2020, and 2021, should a threshold of patients request reimbursements for wrongful bills from 2017 and 2018. We recognize the progress made in recent years by the Maryland General Assembly, with the leadership and support of this committee, to pass landmark medical billing legislation including HB1420: Hospitals Financial Assistance Policies & Bill Collections

Act of 2020 and HB565: Medical Debt Protection Act of 2021. HB 694 acknowledges that these two transformative pieces of legislation did not exist or were not yet fully implemented during the years prior to 2021. HB 694 attempts to right the wrongs against low-income Marylanders from the years prior to HB 1420 (2020) and HB 565 (2021). Any effort to weaken or remove the threshold to trigger further inquiry is an injustice to patients who were overbilled in 2019, 2020, and 2021.

- **The Maryland General Assembly must hold hospitals accountable to following the laws created to protect Marylanders.** Through separate analyses, the HSCRC found that hospitals overcharged patients by the same amount in two consecutive years; this consistency demonstrates the systemic nature of hospitals' failure to meet their legal obligation to provide financial assistance to low-income patients. HB 694 legislation sends the strong message to hospitals that they *are not above the law*. Hospitals, like all other Maryland organizations, will be held accountable to the policies set forth to protect Marylanders.

HB 694 gives hospitals the chance to fulfill their legal obligation to provide free care to low-income patients by making patients who were wrongfully billed whole. If passed, HB 694 would promote transparency and accountability in Maryland's healthcare system. End Medical Debt Maryland respectfully urges this committee to demonstrate its commitment to Maryland patients by issuing a **FAVORABLE** report with **NO weakening amendments** on HB 694.

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Submitted on behalf of End Medical Debt Maryland



END MEDICAL DEBT MARYLAND

COALITION PARTNER ORGANIZATIONS

- 1199SEIU United Healthcare Workers East
- Accessible Resources for Independence
- AFSCME Council 3
- AFSCME Council 67
- Amalgamated Transit Union Local 689
- Amalgamated Transit Union Local 1300
- Baltimore County NAACP
- Baltimore FCNL Advocacy Team
- Baltimore Teachers Union
- Baltimore Women United
- Carroll County Democratic Club
- CASA in Action
- CASH Campaign of Maryland
- Civil Justice, Inc.
- Coalition Against Policing By Hopkins
- CWA Local 2107
- DoTheMostGood
- Educational Sustainability Mobilization, Inc
- FreeState Justice
- Greater Baltimore DSA
- Healthcare NOW of Maryland
- Housing Our Neighbors
- IBEW Local 24
- IBEW Local 26
- IMAGE Center of Maryland
- Independence Now
- Integrated Living Opportunities
- IUOE Local 37
- Labor Campaign for Single Payer
- Lower Shore Progressive Caucus
- Maryland Center on Economic Policy
- Maryland Consumers Rights Coalition
- Maryland/DC Alliance for Retired Americans
- Maryland Health Equity Alliance
- Maryland Legislative Coalition
- Maryland NAACP
- Maryland Professional Employees Council
- Maryland State and D.C. AFL-CIO
- Maryland State Education Association
- Maryland Volunteer Lawyers Service
- Marylanders for Patient's Rights
- ME Action
- Metro DC Democratic Socialists of America
- Metropolitan Washington Council AFL-CIO
- MICA Organizers and Activists (MOA)
- Montgomery County Democratic Socialists of America
- National Nurses United
- North Avenue Mission
- Not Without Black Women
- Our Revolution Maryland
- Peer Wellness and Recovery Services
- Maryland Poor People's Campaign
- Progressive Maryland
- Public Justice Center
- SEIU 32BJ
- SEIU Local 500
- SEIU Maryland/DC State Council
- Special Needs Navigator
- Sunrise Baltimore
- Teachers and Researchers United
- The Freedom Center
- Trans Maryland
- UFCW Local 1994 MCGEO
- UFCW Local 400
- Unitarian Universalist Legislative Ministry of Maryland
- UNITE HERE Local 7
- Women's Democratic Club of Montgomery County