

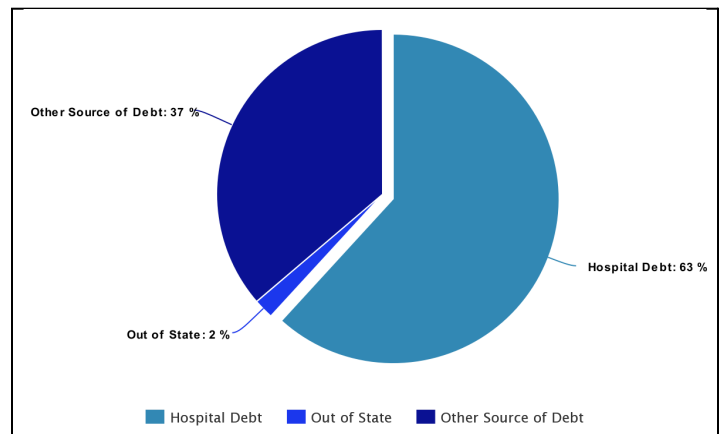


Stories from the Field: The Medical Debt Freedom Fund and Need for HB 694/SB 944

MCRC's Medical Debt Freedom Fund provides direct aid to Maryland patients who have been sued for medical debt. By paying off hospital medical debt, MCRC provides debt abolition, frees Maryland patients from crushing medical debt, ends harassing calls from debt collectors, and provides former patients with the peace of mind to heal and recover without having to worry about paying a hospital bill they can't afford.

Since the launch of the Medical Debt Freedom Fund in October of 2022, **63% of those who had applied for assistance had incurred hospital debt.** Of those, **73% qualified for free care**, but were being pursued for their outstanding medical bills.

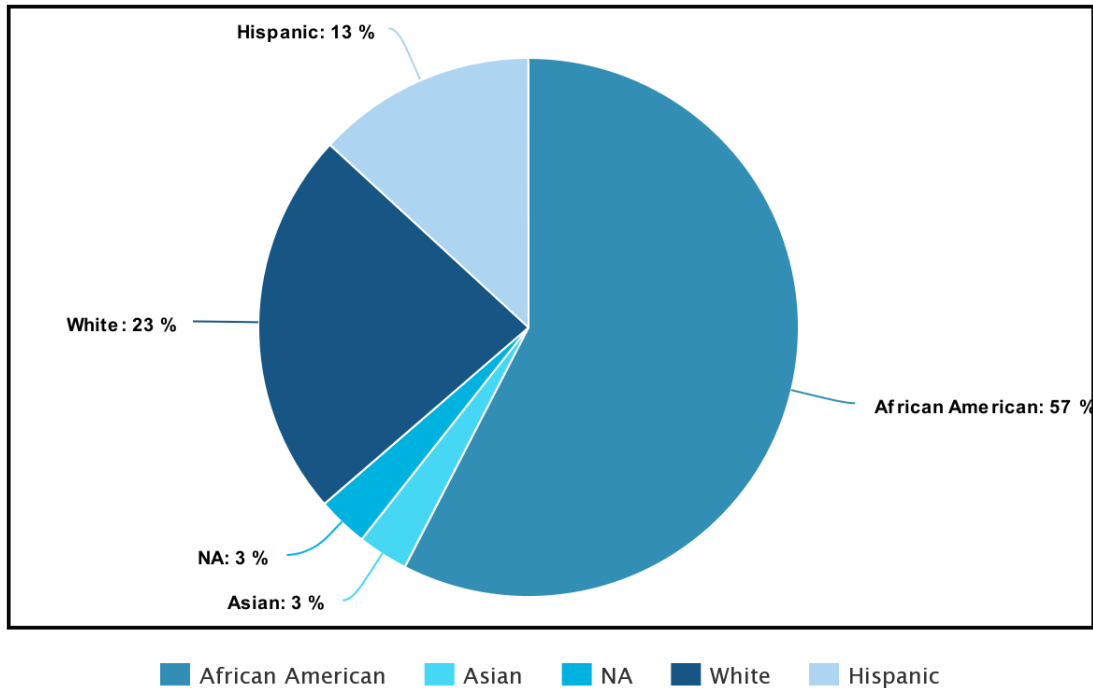
The average debt of all applicants was \$1,389.30 ranging from \$10,000 as the largest debt to \$82 as the smallest debt. This range demonstrates that an unexpected bill of any size can have a devastating impact on the lives of financially fragile people. **The average household income of our applicants was \$14,122,52** and the majority of the applicants were Marylanders of color (see Chart 1 for the racial breakdown).



As our Freedom Fund demonstrates, there are a number of individuals who should have received free care that were, instead, wrongly pursued for debt collection. Many of the applicants to our Freedom Fund rely partly or solely on Social Security or Social Security Disability Insurance—the very set of individuals that will be helped by passage of HB 694/SB 944. It is critical that the legislation include notification and refunds for patients through the Comptroller's office as well as through DHS. As our efforts demonstrate, with an average household income of less than \$15,000 many of our Fund applicants would likely receive state or federal assistance and **may not** be contacted without DHS' inclusion in the legislation. Importantly, it is these patients and these households that are most financially fragile and for whom a refund from hospitals that wrongly overcharged them would make the **most** difference.

73 SHOULD HAVE
QUALIFIED
FOR FREE
PERCENT CARE

Chart 1 Racial Breakdown of Freedom Fund Applicants



The following anecdote highlights the experiences of the many freedom fund applicants who should have qualified for free or reduced-cost care, but were pursued by hospitals for their debts. For our client below and thousands like her, providing this refund means food on the table, avoiding the threat of eviction, and being able to seek additional medical treatment without fear.

Yvette Beasley's Story

Ms. Beasley is an older adult living on a \$12,000 annual fixed income in Baltimore City. In April of 2020 Ms. Beasley was experiencing physical discomfort, but having already accumulated medical debt from a previous hospital visit, she put off going to the hospital. The discomfort grew to severe pain and she knew she would have to go to the hospital. She went to Sinai Hospital and was diagnosed with a rare bacterial infection. She received antibiotics to treat the infection, but five months later the infection returned and she was forced to go back to the hospital.

Although Ms. Beasley should have qualified for free care, the hospital pursued her for \$1,500. Now Ms. Beasley is not only dealing with recovery and additional medical complications she is also dealing with the stress of mounting hospital debt. Living paycheck to paycheck and covering the cost of her medications often leaves Ms. Beasley with nothing by the end of the month. She makes payments periodically when she is able, but living on a fixed income with high costs of care makes meeting the demands of the hospital impossible.

MCRC is working with Ms. Beasley through her insurance and other means to cover her debt and rectify this wrong.