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**HB 694 – Hospitals – Financial Assistance – Medical Bill Reimbursement
House Health and Government Operations Committee
March 2, 2022**

SUPPORT

**Donna S. Edwards
President
Maryland State and DC AFL-CIO**

Madam Chair and members of the Committee, thank you for the opportunity to submit testimony in support of HB 694 – Hospitals – Financial Assistance – Medical Bill Reimbursement. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 340,000 union members, I offer the following comments.

Working Marylanders often must choose between medical care and feeding their families. During medical emergencies, no such choice exists, and for the uninsured and underinsured this can lead to medical debt that can be prohibitively expensive to pay off in a timely fashion. For this reason, Maryland hospitals are required to provide free or low-cost medical care to those who qualify for it. Hospitals are not asked to do this out of the kindness of their hearts, nor do they have to shoulder the cost of free and reduced care. Hospitals are subsidized by the taxpayers to help those less fortunate receive care without facing eviction, food insecurity, or bankruptcy.

It is shocking that the December 14, 2020 report from the Health Services Cost Review Commission (HSCRC) reveals that Maryland hospitals collected nearly \$60 million from patients who were eligible and entitled to free medical care in just the two year period of 2017-2018. This does not even account for the sums that were sent by the hospitals to collection agencies, or the amounts named in lawsuits against patients. Our hospitals are clearly failing in their legal obligation to these patients, the taxpayers, and the State of Maryland.

HB 694 responds to this egregious billing of low-income patients by identifying patients who may be eligible for free or low-cost care, notifying them of the amount they were over charged, and reimbursing them for that amount. Patients will be informed of steps to request a refund, and when the requests are made, hospitals will reimburse those patients, directly, for the amount they were originally shorted.

A final piece is built into HB 694 to either prove or disprove the efficacy of the effort of this legislation, by triggering the process to continue into the years 2019 and beyond if 5% or more of identified free medical care eligible patients request their refunds. If we do not reach the 5% threshold of patients requesting a refund, the legislation requires no further action in identifying, notifying, are refunding patients who overpaid in other years.

HB 694 is expansive in its protections for working Marylanders, but in no way is it hard for hospitals to implement. Maryland's "not-for-profit" hospitals recorded \$5.6 billion in profits over the ten-year period from 2009 to 2018, while demanding payment of nearly \$269 million in medical debt from patients. Through generous State and Local tax exemptions, hospitals are thriving businesses, paid once by the patients and secondly by Maryland taxpayers. It is time to take care of struggling free care eligible Marylanders, by refunding them for medical expenses that they should have never incurred, and that hospitals had no legal authority to ask of them.

For freedom and equity, we ask for a favorable report on HB 694.