

## *Marylanders for Patient Rights*

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### **MARYLANDERS FOR PATIENT RIGHTS REQUESTS A FAVORABLE REPORT ON HB694 Hospitals – Financial Assistance – Medical Bill Reimbursement**

Marylanders for Patient Rights is a leading advocacy group for patients in our state. A 2021 report by HSCRC determined that patients who qualified for free care were overcharged by hospitals by \$60 million dollars in 2017, and another \$60 million in 2018. HB694 proposes a fair and reasonable process for restoring these funds to low-income patients who were wrongly charged by hospitals.

A three-step process will allow the overcharge to be refunded by hospitals: 1) The Office of the Comptroller and the Dept. of Human Services will run analyses to identify the overcharged patients who qualified for free medical care; 2) Those patients will receive a notification by mail that they are eligible for reimbursement by their hospital and outline steps for a refund; and 3) The hospitals will refund the money to the patients.

The HSCRC report “Analysis of the Impact of Hospital Financial Assistance Policy Options on Uncompensated Care and Costs to Payers” describes the process for calculating the cumulative \$120 million overcharge in 2017-2018. An extensive and robust database was used that included data provided by the hospitals to the HSCRC’s “patient casemix dataset.” Hospitals are required by law to submit confidential patient level data to the HSCRC on all discharges and visits. The assumptions upon which the calculations are based are conservative and well-documented (listed in Exhibit 3 of the report). The analytical methodology used standard approved methods, and the large datasets contributed to high statistical significance of the findings.

The enormous overcharge of needy patients suggests that accounting procedures at the hospitals should be more closely examined to ensure that low-income people will never again suffer this unnecessary loss, and that the hospitals won’t be paid twice (once by the state, and again by low-income patients) for a bill. The state has a legal obligation to provide financial assistance to low-income patients. This is foundational to the success of Maryland’s all-payer model, and it is also an ethical and moral responsibility to help those patients who cannot afford care.

Please provide a favorable report on HB694, and refund the overcharge to hospital patients who qualified for free care.

Thank you,

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