



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

**STATEWIDE
ADVOCACY SUPPORT UNIT**

Cornelia Bright Gordon, Esq.
Director of Advocacy
for Administrative Law
(410) 951-7728
cbgordon@mdlalab.org

Gregory Countess, Esq.
Director of Advocacy
for Housing & Community
Economic Development
(410) 951-7687
gcountess@mdlalab.org

Anthony H. Davis, II, Esq.
Director of Advocacy
for Consumer Law
(410) 951-7703
adavis@mdlalab.org

Erica I. LeMon, Esq.
Director of Advocacy
for Children's Rights
(410) 951-7648
elemon@mdlalab.org

February 25, 2022

The Honorable Shane Pendergrass
Chairperson
Health and Government Operations Committee
House Office Building, Room 241
Annapolis, MD 21401

**RE: Testimony of Maryland Legal Aid in Support of House Bill 694 – Hospitals –
Financial Assistance – Medical Bill Reimbursement**

Dear Chair Pendergrass and Members of the Committee:

Thank you for the opportunity to testify in favor of HB 694. Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents, including abused and neglected children, nursing home residents, and veterans. With 12 offices serving residents in each of Maryland's 24 jurisdictions, MLA handles civil legal cases involving a wide range of issues, including family law, housing, public benefits, consumer law, and criminal record expungements to remove barriers to obtaining child custody, housing, driver's licenses, and employment. MLA supports this Bill and asks that the Committee give it a favorable report. MLA is providing this written testimony testify in support of this bill at the request of Delegate Lorig Charkoudian, Ph.D.

HB 694 wins favorable support for its efforts to return money back to individuals with incomes at or below 200% of the Federal Poverty Guidelines, which is one person earning no more than \$27,180 annually. The majority of our clients earn even less and they are overwhelming single parent households, disabled individuals and older adults living on fixed incomes. This segment of the population has a present and continuing need for medical services and spends a larger percentage of their income on healthcare than those with higher incomes. According to a study developed by the Peterson Center on Healthcare and the Kaiser Family Foundation, families with incomes below twice the poverty level paid, on average, 14% of their annual income toward health insurance premiums or medical care, compared to just 8% for families with incomes between 200% and 400% of poverty, and 5% for families with incomes of 400% of the poverty level or more[1]. Those most in need pay the most and HB 694 would give qualified

EXECUTIVE STAFF

Wilhelm H. Joseph, Jr., Esq.
Executive Director

Stuart O. Simms, Esq.
Chief Counsel

Gustava E. Taler, Esq.
Chief Operating Officer

Administrative Offices
500 East Lexington Street
Baltimore, MD 21202
(410) 951-7777
(800) 999-8904
(410) 951-7778 (Fax)

www.mdlalab.org
04.2021



low-income people the opportunity to be reimbursed for payments that they did not have to make.

People with lower incomes spend a significantly higher share of their family income on out-of-pocket medical expenses. Out-of-pocket payments are an even larger percentage of income for families with a sick member. Regardless of income level, someone who is in fair or poor health has expenses that are between 30% and 60% higher than someone in good health^[2]. Most revealing is that the study suggests that the status of a persons' health is directly related to their annual out-of-pocket expenses. People with the poorest health have higher out-of-pocket expenses and people who cannot afford their out-of-pocket expenses will likely see their health status decline. HB 694 attempts to address this unfortunate correlation by allowing those who qualify for free services be reimbursed so that they can use that money for other things, even more medical care, that may help improve their overall health and lessen the financial burden.

HB 694 will benefit those who are poorest in health and finances. It considers the elderly, the sick, the disabled, the unemployed, and the multitude of low-income wage earners who get their insurance coverage through a workplace where there are fewer protections from high costs. It protects the Maryland consumer from paying more than they are required to pay to a State health care system that requires its' hospitals to provide a financial assistance policy for free and reduced cost care for patients who lack coverage to pay the full cost of a hospital bill. To that point, HB 694 does not ask the system to do anything more than what the General Assembly has already mandated it to do. HB 694 sets a purpose – the opportunity for a refund for services that should have been free at the time care was rendered – and provides a roadmap for how to accomplish that purpose.

HB 694 is thoughtfully detailed in its consideration of getting the message out to the public. It allows for a process of identifying and informing patients of their eligibility while protecting personal information and sharing data between agencies. Information about the reimbursement program is available online but also available through direct notice to the consumer and is delivered in conspicuous fashion. The process is not burdensome for the resident, considers language access barriers, and offers opportunity for monetary relief. It is a strong bill and good for low-income communities and those who have experienced a medical hardship.

Thank you for the opportunity to comment on this crucial piece of legislation. Maryland Legal Aid supports HB 694 and asks that this committee give it a favorable report.

Respectfully Submitted,

/s/ Anthony Davis

Anthony Hayes Davis II, Esq.
Director of Advocacy for Consumer Law
Statewide Advocacy Support Unit
Maryland Legal Aid, Inc.
(410) 951-7703

[1] See <https://www.healthsystemtracker.org/brief/how-affordability-of-health-care-varies-by-income-among-people-with-employer-coverage/>.

[2] See <https://www.fiercehealthcare.com/payer/low-income-families-spend-greater-share-income-private-insurance>.