



Ashley Black, Staff Attorney
Public Justice Center
201 North Charles Street, Suite 1200
Baltimore, Maryland 21201
410-625-9409, ext. 224
blacka@publicjustice.org

HB 694

Hospitals – Financial Assistance – Medical Bill Reimbursement Hearing of the House Health & Government Operations Committee

March 2, 2022

1:30 PM

SUPPORT

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Health Rights Project supports policies and practices that promote the overall health of Marylanders struggling to make ends meet, with the explicit goal of promoting strategies that work to eliminate racial and ethnic disparities in health outcomes. **PJC stands in strong support of HB 694**, which would require the Health Services Cost Review Commission (HSCRC), the Maryland Office of the Comptroller and the Maryland Department of Human Services (DHS) to identify low-income patients who should have received free care from Maryland hospitals and reimburse them.

Medical debt collection has a disproportionate impact on low-income patients, women and communities of color. For low-income patients, medical debt collection threatens financial security by taking money that enters the household away from paying for basic family needs, including food, medication, childcare and housing. It can also harm the overall health of patients and their families by placing an emotional and physical burden on them. Additionally, there are racial and gender disparities in medical debt collection as the majority of lawsuits by hospitals are filed against Black and female patients.

Maryland hospitals erroneously collected debt from patients qualified for free care. In 2021, when this committee was considering HB 595 - Medical Debt Protection Act, HSCRC released a study reporting that not only were 60% of people who should have receive free care reported as bad debt and pursued for collection by hospitals, but hospitals also collected roughly \$60 million in 2017 and then again in 2018 from patients who were eligible for free care and thus, should not have been charged.¹ While PJC thanks the House Health and

¹ Maryland Health Services Cost Review Commission, *Analysis of the Impact of Hospital Financial Assistance Policy Options on Uncompensated Care & Costs to Payers* (2021),

<https://static1.squarespace.com/static/5b05bed59772ae16550f90de/t/6045840486f11518b48230a5/1615168518742/HSCRC+1420+report.pdf>.

Government Operations Committee for passing HB 595, which now has the strongest protections of any medical debt law in the country and serves as a model for other states, Maryland needs HB 694 to address the issue of hospitals wrongfully billing patients in 2017 and 2018.

HB 694 simply seeks to restore low-income hospital patients to where they were before they were wrongfully billed. HSCRC would work collaboratively with the Office of the Comptroller (for patients who filed tax returns) and DHS (for patients who did *not* file tax returns) to identify patients who were qualified for free care but paid their hospital bill. Collaboration between these agencies is key to ensuring that as many patients as possible who overpaid are identified. Those patients will receive a notification in the mail as well as instructions on how to request their refund. Finally, hospitals would be responsible for reimbursing patients who made claims. HB 694, if passed, would hold hospitals accountable for meeting their obligation to provide free care to eligible Marylanders.

For these reasons, the Public Justice Center urges the committee to issue a **FAVORABLE** report for **HB 694**. If you have any questions about this testimony, please contact Ashley Black at 410-625-9409 x 224 or blacka@publicjustice.org.