



**HB 694-Hospitals - Financial Assistance - Medical Bill Reimbursement**  
**Senate Finance Committee**  
**March 30, 2022**  
**SUPPORT**

Chair Kelley, Vice-Chair, and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 694. HB 694 will rectify nonprofit hospitals' systemic overbilling of patients who should have received free healthcare by paying patients back; and hold hospitals accountable to their legal obligation to provide free healthcare to low-income Marylanders.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

A recent study by the Health Services Cost Review Commission found that in the years 2017-2018, **Maryland's nonprofit hospitals charged patients who should have received free healthcare 60% of the time; totaling an estimated \$60 million per year that was wrongly taken from patients.**

The following are reasons why we must pass HB 694:

- **Hospitals Have a Legal obligation to provide free healthcare.** Maryland hospitals must provide free care to low-income patients under federal and state law. The report shows they failed to meet this obligation & failed to make patients aware of financial assistance which is why MDGA passed legislation SB 875/HB 1420 in 2020 to increase awareness of this assistance.
- **Providing Refunds to Patients is an Economic Justice Issue.** The cost of gas, food, and housing is increasing and outstripping minimum wage increases. The patients who qualify for free care live paycheck to paycheck. Providing them with a refund for overpayment will increase their economic security.
- **Providing Refunds is a Racial Justice Issue.** 27.9 % of Black households have medical debt, compared to 17.2% of white households nationwide. 50% of Black households were unaware of hospital financial assistance compared to 29% of white households. Providing refunds addresses some of the social disparities in health care access and provision.
- **Hospitals Must Be Held Accountable.** Hospitals sent 60% of patients who should have received free care to debt collection. A portion of these financially fragile households paid hospitals \$60 million per year on top of the payment the hospitals already received from the state. This legislation holds hospitals accountable for their lax oversight.

HB 694 will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged, and refund those patients the amount that they overpaid. The legislation protects patients' privacy in accord with HIPAA and establishes a process to safely reach out to patients who use an alternate address. HB694 covers patients who were wrongly charged between 2017-2021, and requires progress reports to this committee and the House Health & Government Operations Committee.

**Thus, we urge a favorable report on HB 694.**

*Creating Assets, Savings and Hope*