

SENATE BILL 404

J3, Q7

3lr2544
CF HB 333

By: **Senators Hershey and Hayes**

Introduced and read first time: February 1, 2023

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Hospitals – Financial Assistance – Medical Bill Reimbursement Process**

3 FOR the purpose of establishing requirements related to the reimbursement of
4 out-of-pocket costs paid by certain hospital patients who were eligible for free care,
5 including requirements related to the consideration of data and the reporting and
6 disclosure of certain information; modifying the process the Health Services Cost
7 Review Commission is required to develop for identifying and reimbursing certain
8 patients of hospitals; providing that a hospital is not required to provide certain
9 reimbursements under certain circumstances; requiring the implementation of a
10 certain option from a certain report under certain circumstances; requiring a
11 hospital to reimburse certain State government entities for certain costs; authorizing
12 the State Department of Assessments and Taxation and the Office of the Comptroller
13 to disclose tax information to hospitals and certain units for a certain purpose; and
14 generally relating to hospitals, financial assistance policies, and reimbursement for
15 paid bills.

16 BY repealing and reenacting, with amendments,
17 Article – Health – General
18 Section 19–214.4
19 Annotated Code of Maryland
20 (2019 Replacement Volume and 2022 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article – Tax – General
23 Section 13–203(c)
24 Annotated Code of Maryland
25 (2022 Replacement Volume)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
27 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Health – General**

2 19–214.4.

3 (a) The Commission, in coordination with the **DEPARTMENT, THE** Department
4 of Human Services, [the State designated exchange,] the Office of the Comptroller, **THE**
5 **STATE DEPARTMENT OF EDUCATION**, and the Maryland Hospital Association, shall
6 develop a process that:

7 (1) Identifies the patients who paid **MORE THAN \$25** for hospital services
8 who may have qualified for free care under § 19–214.1 of this subtitle [at the time of care]
9 **ON THE DATE THE HOSPITAL SERVICE WAS PROVIDED** during calendar years 2017
10 through 2021;

11 (2) Provides reimbursement to the patients identified under item (1) of this
12 subsection, which may be applied incrementally;

13 (3) Ensures that a patient’s alternate address is used if the patient
14 requested an alternate address for safety reasons; and

15 (4) Determines how the Commission, **THE DEPARTMENT**, the
16 Department of Human Services, [and] the Office of the Comptroller,
17 **AND THE STATE DEPARTMENT OF EDUCATION** should share with or disclose relevant
18 information, including tax information, to the minimum extent necessary, to the hospital
19 and in accordance with federal and State confidentiality laws for the purpose of carrying
20 out the process developed under this subsection.

21 **(B) THE HEALTH EDUCATION ADVOCACY UNIT IN THE OFFICE OF THE**
22 **ATTORNEY GENERAL SHALL ASSIST PATIENTS IDENTIFIED UNDER SUBSECTION (A)**
23 **OF THIS SECTION IN OBTAINING REIMBURSEMENT UNDER THIS SECTION.**

24 **(C) (1) THE PROCESS DEVELOPED UNDER SUBSECTION (A) OF THIS**
25 **SECTION:**

26 **(I) SHALL REQUIRE EACH HOSPITAL TO CONSIDER:**

27 **1. TAX DATA FROM THE OFFICE OF THE COMPTROLLER**
28 **AS DE FACTO EVIDENCE OF A PATIENT’S INCOME; AND**

29 **2. DATA FROM THE DEPARTMENT, THE DEPARTMENT**
30 **OF HUMAN SERVICES, AND THE STATE DEPARTMENT OF EDUCATION AS DE FACTO**
31 **EVIDENCE OF A PATIENT’S PRESUMPTIVE ELIGIBILITY FOR FREE CARE;**

32 **(II) SHALL REQUIRE EACH HOSPITAL TO PROVIDE REFUNDS TO**
33 **PATIENTS WHO QUALIFY UNDER SUBSECTION (G)(2) OF THIS SECTION; AND**

1 **(III) MAY NOT REQUIRE A HOSPITAL TO PROVIDE A PATIENT**
2 **WITH A REFUND IF THE PATIENT PREVIOUSLY WAS DENIED FREE CARE BECAUSE OF**
3 **A FAILED ASSET TEST.**

4 **(2) EACH HOSPITAL SHALL CREATE A WEBPAGE THAT INCLUDES:**

5 **(I) INFORMATION ABOUT THE REIMBURSEMENT PROVIDED IN**
6 **ACCORDANCE WITH THIS SECTION, INCLUDING THE PROCESS TO BE FOLLOWED BY**
7 **A PATIENT AND RELEVANT TIMELINES; AND**

8 **(II) A TELEPHONE NUMBER AND E-MAIL ADDRESS THAT A**
9 **PATIENT MAY USE TO SUBMIT QUESTIONS ABOUT THE REIMBURSEMENT PROCESS**
10 **DEVELOPED UNDER THIS SECTION.**

11 **(3) IF A PATIENT IS ENTITLED TO A SINGLE REFUND PER YEAR UNDER**
12 **SUBSECTION (A) OF THIS SECTION IN AN AMOUNT OF \$25 OR LESS, THE HOSPITAL**
13 **MAY BUT IS NOT REQUIRED TO PROVIDE THE REIMBURSEMENT.**

14 **[(b)] (D) (1) The Commission may modify the process developed under**
15 **subsection (a) of this section as necessary.**

16 **(2) IF REIMBURSEMENTS ARE PROVIDED INCREMENTALLY AND LESS**
17 **THAN 10% OF THE ESTIMATED REIMBURSEMENTS ARE MADE EACH YEAR DURING**
18 **THE FIRST INCREMENT, THE COMMISSION IS NOT REQUIRED TO IMPLEMENT**
19 **ADDITIONAL INCREMENTS OF THE PROCESS.**

20 **(E) THE DEPARTMENT, THE DEPARTMENT OF HUMAN SERVICES, THE**
21 **OFFICE OF THE COMPTROLLER, THE STATE DEPARTMENT OF EDUCATION, AND**
22 **EACH HOSPITAL SHALL REPORT INFORMATION ON THE PROCESS DEVELOPED**
23 **UNDER THIS SECTION TO THE COMMISSION, IN THE TIME AND MANNER**
24 **DETERMINED BY THE COMMISSION.**

25 **(F) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE**
26 **COMMISSION, THE DEPARTMENT, THE DEPARTMENT OF HUMAN SERVICES, THE**
27 **OFFICE OF THE COMPTROLLER, THE STATE DEPARTMENT OF EDUCATION, AND**
28 **EACH HOSPITAL SHALL DISCLOSE TO EACH OTHER, TO THE MINIMUM EXTENT**
29 **NECESSARY, RELEVANT INFORMATION, INCLUDING TAX INFORMATION, NECESSARY**
30 **FOR IMPLEMENTATION OF THE PROCESS DEVELOPED UNDER SUBSECTION (A) OF**
31 **THIS SECTION.**

32 **(2) THIS SECTION MAY NOT BE CONSTRUED TO MAKE A HOSPITAL**
33 **RESPONSIBLE FOR THE CONFIDENTIALITY OF THE INFORMATION IN POSSESSION OF**
34 **EACH STATE ENTITY LISTED IN PARAGRAPH (1) OF THIS SUBSECTION.**

1 **[(c)] (G) (1) (I)** On or before January 1, 2023, and **[January 1] OCTOBER**
2 **1, 2024**, the Commission shall report to the Senate Finance Committee and the House
3 Health and Government Operations Committee, in accordance with § 2–1257 of the State
4 Government Article, on the development and implementation by hospitals of the process
5 required under subsection (a) of this section.

6 **[(2)] (II)** If the process developed under subsection (a) of this section
7 requires legislation for implementation, the Commission shall include the legislative
8 recommendations in the report required on or before January 1, 2023, under **[paragraph**
9 **(1)] SUBPARAGRAPH (I)** of this **[subsection] PARAGRAPH**.

10 **[(3)] (III)** If the process established under subsection (a) of this section does
11 not require legislation, each hospital shall implement the process developed under
12 subsection (a) of this section on or before January 1, 2023.

13 **(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**
14 **EACH HOSPITAL THE COMMISSION, THE OFFICE OF THE COMPTROLLER, THE**
15 **DEPARTMENT, THE DEPARTMENT OF HUMAN SERVICES, AND THE STATE**
16 **DEPARTMENT OF EDUCATION SHALL IMPLEMENT OPTION 3 FROM THE “FREE**
17 **HOSPITAL CARE REFUND PROCESS” REPORT SUBMITTED BY THE COMMISSION IN**
18 **DECEMBER 2022 AS REQUIRED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION AND**
19 **IN ACCORDANCE WITH THIS SECTION AND § 12–203(C) OF THE TAX – GENERAL**
20 **ARTICLE.**

21 **(II) UNDER THE PROCESS REQUIRED UNDER SUBPARAGRAPH**
22 **(I) OF THIS PARAGRAPH, A PATIENT SHALL QUALIFY FOR REFUNDS WHO PAID AN**
23 **OUT–OF–POCKET EXPENSE FOR SERVICES BASED ON THE FOLLOWING:**

24 **1. THE OFFICE OF THE COMPTROLLER DETERMINING**
25 **THAT THE PATIENT’S FAMILY INCOME WAS AT OR BELOW 200% OF THE FEDERAL**
26 **POVERTY LEVEL DURING THE YEAR OF SERVICE DATE OR DATES; OR**

27 **2. THE DEPARTMENT OF HUMAN SERVICES, THE**
28 **DEPARTMENT, OR THE STATE DEPARTMENT OF EDUCATION DETERMINING THAT**
29 **DURING THE YEAR OF SERVICE DATE OR DATES, THE PATIENT:**

30 **A. RECEIVED BENEFITS THROUGH THE FEDERAL**
31 **SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM;**

32 **B. RECEIVED BENEFITS THROUGH THE STATE’S**
33 **ENERGY ASSISTANCE PROGRAM;**

34 **C. RECEIVED BENEFITS THROUGH THE FEDERAL**

1 SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN;
2 OR

3 D. LIVED IN A HOUSEHOLD WITH CHILDREN ENROLLED
4 IN THE FREE AND REDUCED-COST MEAL PROGRAM.

5 (3) THE OFFICE OF THE COMPTROLLER, THE DEPARTMENT OF
6 HUMAN SERVICES, THE DEPARTMENT, THE STATE DEPARTMENT OF EDUCATION,
7 THE COMMISSION, AND EACH HOSPITAL MAY NOT IMPLEMENT THE ALTERNATIVE
8 APPROACH INCLUDED WITH OPTION 3 IN THE REPORT IDENTIFIED UNDER
9 PARAGRAPH (2)(I) OF THIS SUBSECTION.

10 (H) (1) EACH HOSPITAL SHALL REIMBURSE THE COMMISSION, THE
11 OFFICE OF THE COMPTROLLER, THE DEPARTMENT, THE DEPARTMENT OF HUMAN
12 SERVICES, THE STATE DEPARTMENT OF EDUCATION, AND THE HEALTH
13 EDUCATION ADVOCACY UNIT IN THE OFFICE OF THE ATTORNEY GENERAL FOR THE
14 COSTS INCURRED BY EACH STATE ENTITY IN COMPLYING WITH THIS SECTION.

15 (2) (I) REIMBURSEMENT REQUIRED UNDER PARAGRAPH (1) OF
16 THIS SUBSECTION SHALL BE BASED ON THE HOSPITAL'S PROPORTION OF THE TOTAL
17 NUMBER OF PATIENTS WHO WERE IDENTIFIED BY THE STATE ENTITY AS
18 POTENTIALLY ELIGIBLE FOR REIMBURSEMENT IN A DESIGNATED YEAR, AS
19 DETERMINED BY THE COMMISSION.

20 (II) FOR THE PURPOSE OF DETERMINING THE REIMBURSEMENT
21 DUE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE STATE ENTITIES
22 IDENTIFIED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL PROVIDE
23 QUARTERLY COST INFORMATION TO THE COMMISSION.

24 (3) THE COMMISSION SHALL PROVIDE EACH HOSPITAL WITH THE
25 REIMBURSEMENT AMOUNT DUE TO THE APPROPRIATE STATE ENTITY BASED ON THE
26 COSTS INCURRED BY THE ENTITY IN COMPLYING WITH THIS SECTION.

27 Article – Tax – General

28 13-203.

29 (c) Tax information may be disclosed to:

30 (1) an employee or officer of the State who, by reason of that employment
31 or office, has the right to the tax information;

32 (2) another tax collector;

- 1 (3) the Maryland Tax Court;
- 2 (4) a legal representative of the State, to review the tax information about
3 a taxpayer:
- 4 (i) who applies for review under this title;
- 5 (ii) who appeals from a determination under this title; or
- 6 (iii) against whom an action to recover tax or a penalty is pending or
7 will be initiated under this title;
- 8 (5) any license issuing authority of the State required by State law to verify
9 through the Comptroller that an applicant has paid all undisputed taxes and
10 unemployment insurance contributions payable to the Comptroller or the Secretary of
11 Labor or that the applicant has provided for payment in a manner satisfactory to the unit
12 responsible for collection;
- 13 (6) a local official as defined in § 13–925 of this title to the extent necessary
14 to administer Subtitle 9, Part V of this title;
- 15 (7) a federal official as defined in § 13–930 of this title to the extent
16 necessary to administer Subtitle 9, Part VI of this title;
- 17 (8) the Maryland Department of Health in accordance with the federal
18 Children’s Health Insurance Program Reauthorization Act of 2009;
- 19 (9) the State Board of Individual Tax Preparers;
- 20 (10) the Alcohol and Tobacco Commission;
- 21 (11) the Maryland 9–1–1 Board; [and]
- 22 (12) a person or governmental entity authorized by the Comptroller in
23 writing to receive tax information for the purpose of identifying, preventing, or responding
24 to fraud, provided that the tax information is:
- 25 (i) anonymized to the extent possible consistent with the
26 information’s intended use; and
- 27 (ii) in addition to any other protections and safeguards under law,
28 subject to any protections and safeguards set forth by the Comptroller in the written
29 authorization; [and]
- 30 (13) the Maryland Higher Education Commission; **AND**
- 31 **(14) A HOSPITAL, THE HEALTH SERVICES COST REVIEW COMMISSION,**

1 THE DEPARTMENT OF HUMAN SERVICES, THE MARYLAND DEPARTMENT OF
2 HEALTH, AND THE STATE DEPARTMENT OF EDUCATION, TO THE EXTENT
3 NECESSARY TO ADMINISTER § 19-214.4 OF THE HEALTH – GENERAL ARTICLE.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
5 1, 2023. It shall remain effective until the taking effect of the termination provision
6 specified in Section 2 of Chapter 683 of the Acts of the General Assembly of 2022. If that
7 termination provision takes effect, this Act shall be abrogated and of no further force and
8 effect. This Act may not be interpreted to have any effect on that termination provision.