



Testimony to the Senate Finance Committee

HB328 Hospitals-Financial Assistance Policies-Revisions

Position: Favorable

March 20, 2024

The Honorable Pamela Beidle, Chair

Senate Finance Committee

Annapolis, MD 21401

cc: Members, Finance Committee

Honorable Chair Beidle and Members of the Committee,

We are writing today in strong support of HB 328.

HB 328 ensures that income-eligible Maryland residents receive free or reduced-cost care by eliminating additional barriers to charity care some nonprofit hospitals have put in place.

As nonprofit hospitals, Maryland's hospital systems receive substantial tax benefits and, in return, are required to provide free and low-cost care to income eligible residents. Additionally, through Maryland's unique global budgeting system, hospitals are compensated through rate-setting for the charity care that they anticipate spending based on the prior year's expenses. Therefore, the benefits to the hospital in terms of tax breaks are substantial while the costs are built into Maryland's rate-setting system.

Despite this, 27 Maryland nonprofit hospitals create barriers to low-income patients accessing free or low-cost care. These tests deny struggling households the charity care that they are entitled to by law, and that the General Assembly expanded in 2020. One test, the asset test, varies by hospital but may, for example, eliminate a household with two cars from receiving free or discounted care. Another test, the service area test, is used by hospitals to limit charity care to patients who live within a certain radius of the hospital. In urban areas, patients may live

between several hospitals and would not know which one to go to since these geographic boundaries are not publicized. In an emergency, patients are sent to whatever hospital is nearest, so even if a patient did know which hospital would provide them with charitable care, they are not given a choice in the matter.

There are 47 hospitals in Maryland and 20 do not use any tests. At these 20 hospitals, if a patient is eligible for free or discounted care, they receive it. That should be the case statewide. Passage of HB328 will bring consistency, clarity, and fairness to hospital financial assistance statewide. It will expand financial assistance to eligible patients that need it at this critical time.

For all these reasons, we urge a favorable report on HB 328.

Signed,

Zoe Gallagher, Policy Associate Economic Action Maryland

Marceline White, Executive Director, Economic Action Maryland

Matthew Girardi, Political and Communications Director, ATU Local 689

Michael Dalto, President, High Note Consulting, LLC.

Lonia Muckle, Senior Policy Associate, CASH Campaign of Maryland

Ninfa Amador, Policy Analyst, CASA

Ashley Esposito, Executive Director, Baltimore Renters United

Camila Reynolds-Dominguez, Policy Advocate and Legal Impact Coordinator, FreeState Justice

Ashley Woolard, Lead Attorney, Health & Benefits Equity Project, Public Justice Center

Kayla Mock, Political & Legislative Director, United Food & Commercial Workers Union Local 400

Patty Snee, Statewide Healthcare Campaigns Organizer, Progressive Maryland

Margaret Hadley, RN, MS, Chair, Health Care Advocacy, Women's Democratic Club of Montgomery County

Claudia Wilson Randall, Executive Director, Community Development Network of MD