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**HB 328**  
**Hospitals – Financial Assistance Policies - Revisions**  
**Hearing of the Senate Finance Committee**  
**March 20, 2024**  
**1:00 PM**

**FAVORABLE**

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 and Benefits Equity Project advocates to protect and expand access to healthcare and safety net services for Marylanders struggling to make ends meet. We support policies and practices that are designed to eliminate economic and racial inequities and enable every Marylander to attain their highest level of health. The **PJC strongly supports HB 328**, which would prohibit Maryland’s non-profit hospitals from denying free or reduced-cost care to income-eligible patients outside of the hospital’s service area.

**Medical debt collection has a disproportionate impact on low-income patients and communities of color.**

Medical debt collection not only places the financial security and housing stability of patients at risk, but it also places an immense emotional and physical burden on patients and their families and can harm the overall health of the household. Medical debt keeps low-income patients in a cycle of poverty that can be impossible to break. It takes money that comes into the household away from paying for basic needs, such as food, housing, medication and utilities. This inequity is exacerbated by the fact that many Maryland hospitals have historically failed to use their charity care funding (prior to pursuing patients in collections), a tool that would release many income-eligible patients from the burden of medical debt. This issue is a priority for PJC as many of our low-income clients who do not qualify for Medicaid coverage or have chronic illnesses experience significant challenges in affording unexpected medical bills.

Currently, not all Maryland hospitals use asset and geographic tests, allowing discretion in the criteria that each hospital uses to assess financial assistance eligibility for their patients. This can lead to unjust and inequitable outcomes for low-income patients in their applications for financial assistance depending on the hospital from which they receive care. Financial assistance is quite literally a lifeline for patients experiencing chronic illness and other unexpected health emergencies. **The availability of financial assistance for medical care should not hinge on where a patient lives and which nonprofit hospital they receive care from within the state.** HB 328 would push Maryland further in eliminating medical debt and health disparities by eliminating asset and

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geographic tests for hospital financial assistance. This simple but impactful legislation also supports the legal obligation for Maryland's nonprofit hospitals to provide free and reduced-cost care to income-eligible patients to maintain their tax-exempt status.

For these reasons, the Public Justice Center urges the committee to issue a **FAVORABLE** report for **HB 328**. Thank you for your consideration of our testimony. If you have any questions about this testimony, please contact Ashley Woolard at 410-625-9409 x 224 or [woolarda@publicjustice.org](mailto:woolarda@publicjustice.org).