



HB 328 - Hospitals - Financial Assistance Policies - Revisions
Finance Committee
March 20, 2024
SUPPORT

Chair Beidle, Vice-Chair Klausmeier and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 328. This bill removes barriers for low-income Marylanders to receive financial assistance at hospitals.

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.**

CASH is a member of the End Medical Debt Maryland Coalition, and we support House Bill 328.

All Maryland hospitals are nonprofit and are required to provide free and reduced cost care as a condition of their tax-exempt status. Maryland also has a global-budgeting policy that sets rates and provides hospitals with funds for charity care each year based on last year's expenses. Even if a patient is income-eligible for free or reduced-cost care, hospitals can still deny a patient's application for financial assistance if the patient fails either 1) an asset or 2) a service/geography test.

Currently, not all nonprofit hospitals in Maryland use asset tests and service tests. For those that do, each hospital uses discretion to develop its own criteria for asset tests and service area boundaries. As a result, an income-eligible patient may receive free care at one hospital while being denied care at another hospital. This means access to affordable care is conditioned on where one becomes ill or has an emergency. This leads to inequitable outcomes and disparities. According to a September 2023 statewide poll, 14% of Maryland voters say that they or someone in their household have medical bills or debt that they are not able to repay. African American households comprise 23% of those unable to pay a medical bill compared to 8% of white households.

It is crucial to pass HB 328, as it prohibits the use of barriers to care for income-eligible patients.

Thus, we encourage you to return a favorable report for HB 328.

Creating Assets, Savings and Hope