



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 14, 2024

Testimony in SUPPORT of HB 328 - Hospitals - Financial Assistance Policies - Revisions

Summary: HB 328 will allow for more patients who are income-eligible for low or free hospital care receive it across all Maryland hospitals.

This bill prohibits hospitals from considering non-monetary household assets at a certain level when assessing eligibility for reduced or free care. In addition, this bill would prohibit hospitals from denying a patient access to discounted care if they live outside of the hospital's community benefit area.

Overview: All nonprofit hospitals in Maryland are required to provide free and reduced cost care to patients at certain income thresholds in order to have access to millions of dollars in tax benefits. Our rate-setting system also compensates hospitals for the cost of this care by building it into their rates each year.

All patients who are eligible for free or low-cost care should receive it. Yet, today that is not what happens. Per the Health Services Cost Review Commission (HSCRC), 27 out of 47 Maryland hospitals have created tests that income-eligible patients must pass in order to qualify for free or low-cost care-even if they already qualify by income.

Some of the assets that some hospitals now consider, that this bill would prohibit future consideration, is :

1. The first \$10,000 of monetary assets;
2. A safe harbor equity of \$150,000 in a primary residence;
3. Retirement assets that the Internal Revenue Service has granted preferential tax treatment as a retirement account, including deferred-compensation plans qualified under the Internal Revenue Code or nonqualified deferred-compensation plans;
4. One motor vehicle used for the transportation needs of the patient or any family member of the patient;
5. Any resources excluded in determining financial eligibility under the Medical Assistance Program under the Social Security Act; and
6. Prepaid higher education funds in a Maryland 529 Program account

This allows patients to not worry about spending retirement income, selling their only mode of transportation, or their house, or that their child's college fund will be drained to pay for medical bills.

In addition, patients will no longer have to worry about going to the closest hospital, even if it is far from their residence, to get the care they need.

When medical costs are so high, contributing to crippling medical debt, Maryland residents should have access to already existing cost saving programs equally across the state's hospitals.

Conclusion: By prohibiting all Maryland hospitals to take non-monetary household assets and geographic service area into eligibility consideration, allows patients equal access to reduced and free care.

Thank you and I ask for a favorable report on HB328.