



**SB 630 - Real Property - Contract Liens - Medical Debt
Judicial Proceedings Committee
February 16, 2024
SUPPORT**

Chair Smith, Vice-Chair Waldstreicher and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 630. This bill would ban the practice of placing a lien on someone's home for a medical debt.

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.**

The principle behind the bill is that no one should face a lien on their home because they sought medical care for themselves or a loved one. Maryland nonprofit hospitals have sued low-income patients for medical debt including those who should have received free care. In fact, over a nine-year period, nonprofit hospitals placed liens on more than 4000 Maryland households.¹ The majority of households that were sued for debt were located in low-income communities of color.

At the same time, outpatient services, dental, diagnostic and private practice medical care are a source of unaffordable medical debt for many Maryland households. Patients report that 44% of medical debt comes from an outpatient visit.² The costs for these treatments are rising, in part due to the role of private equity which is purchasing practices, raising rates and reducing staffing and overhead costs. Similarly, these practices have sued and placed liens on patients homes. A lien makes it difficult to secure credit, refinance, or lower mortgage payments which harms patients' financial security, particularly low-income households and those in communities of color.

SB 630 simply removes the ability to collect a medical debt by placing a lien on a home. Someone's home and their equity should not be at risk because they or a loved one fell ill.

Thus, we encourage you to return a favorable report for SB 630.

¹ <https://www.nationalnursesunited.org/preying-on-patients>

² September 2023 Gonzales Poll Commissioned by Economic Action Maryland (then Maryland Consumer Rights Coalition)