



## **SB630 Real Property-Contract Liens-Medical Debt**

### **Position: Favorable**

February 15, 2024

The Honorable Senator William C. Smith, Jr., Chair  
2 East Miller Senate Office Building  
Annapolis, Maryland 21401

cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Committee:

Chair and Members of the Committee,

We are writing today in strong support of SB630,

SB630 bans the practice of placing a lien on someone's home for a medical debt. The principle behind the bill is simple: 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. 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. 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.

SB630 simply removes the ability to collect a medical debt by placing a lien on a home. Someone's home, their equity, should not be at risk because they or a loved one fell ill.

For all these reasons, we urge a favorable report on SB630.

Signed,

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