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By: **Delegate Hurson**

Introduced and read first time: February 1, 2005

Assigned to: Health and Government Operations

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A BILL ENTITLED

1 AN ACT concerning

2 **Hospitals - Free and Reduced-Cost Care**

3 FOR the purpose of requiring hospitals in the State to develop a financial assistance  
4 policy for providing free and reduced-cost care to low-income patients who lack  
5 health care coverage; requiring hospitals to post a certain notice in certain  
6 places; requiring the Health Services Cost Review Commission to develop a  
7 uniform financial assistance application; requiring the Commission to require  
8 hospitals to use the uniform financial assistance application to determine  
9 eligibility for certain free and reduced-cost care; establishing certain  
10 specifications for the uniform financial assistance application; requiring  
11 hospitals to provide the uniform financial assistance application to certain  
12 patients; requiring nonprofit hospitals that receive a certain exemption from  
13 property taxes to report the value of the property tax exemption to the  
14 Commission and annually devote a certain amount of money to the provision of  
15 free and reduced-cost care; requiring the Commission to require hospitals to  
16 provide certain documentation; requiring the Commission to audit the  
17 documentation; and generally relating to free and reduced-cost care by  
18 hospitals.

19 BY adding to  
20 Article - Health - General  
21 Section 19-214.1 and 19-214.2  
22 Annotated Code of Maryland  
23 (2000 Replacement Volume and 2004 Supplement)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
25 MARYLAND, That the Laws of Maryland read as follows:

26 **Article - Health - General**

27 19-214.1.

28 (A) EACH HOSPITAL IN THE STATE SHALL DEVELOP A FINANCIAL ASSISTANCE  
29 POLICY FOR PROVIDING FREE AND REDUCED-COST CARE TO LOW-INCOME  
30 PATIENTS WHO LACK HEALTH CARE COVERAGE.

1 (B) A HOSPITAL SHALL POST A NOTICE IN CONSPICUOUS PLACES  
2 THROUGHOUT THE HOSPITAL DESCRIBING THE FINANCIAL ASSISTANCE POLICY AND  
3 HOW TO APPLY FOR FREE AND REDUCED-COST CARE.

4 (C) THE COMMISSION SHALL:

5 (1) DEVELOP A UNIFORM FINANCIAL ASSISTANCE APPLICATION; AND

6 (2) REQUIRE EACH HOSPITAL TO USE THE UNIFORM FINANCIAL  
7 ASSISTANCE APPLICATION TO DETERMINE ELIGIBILITY FOR FREE AND  
8 REDUCED-COST CARE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY.

9 (D) THE UNIFORM FINANCIAL ASSISTANCE APPLICATION:

10 (1) SHALL BE WRITTEN IN SIMPLIFIED LANGUAGE; AND

11 (2) MAY NOT REQUIRE DOCUMENTATION THAT PRESENTS AN UNDUE  
12 BARRIER TO RECEIPT OF FINANCIAL ASSISTANCE.

13 (E) A HOSPITAL SHALL PROVIDE THE UNIFORM FINANCIAL ASSISTANCE  
14 APPLICATION TO EACH PATIENT WHO DOES NOT INDICATE PUBLIC OR PRIVATE  
15 HEALTH CARE COVERAGE, AT THE TIME THE PATIENT SUBMITS INFORMATION TO  
16 THE HOSPITAL REGARDING FINANCIAL RESPONSIBILITY FOR CARE PROVIDED BY  
17 THE HOSPITAL.

18 19-214.2.

19 (A) A NONPROFIT HOSPITAL THAT RECEIVES AN EXEMPTION FROM  
20 PROPERTY TAXES UNDER § 7-202 OF THE TAX - PROPERTY ARTICLE AS A RESULT OF  
21 THE HOSPITAL'S NONPROFIT STATUS:

22 (1) SHALL REPORT THE VALUE OF THE PROPERTY TAX EXEMPTION TO  
23 THE COMMISSION; AND

24 (2) ANNUALLY SHALL DEVOTE TO THE PROVISION OF FREE AND  
25 REDUCED-COST CARE AN AMOUNT OF MONEY THAT IS:

26 (I) EQUAL TO 50% OF THE VALUE OF THE PROPERTY TAX  
27 EXEMPTION FOR THE PREVIOUS YEAR; AND

28 (II) NOT REIMBURSED THROUGH RATES.

29 (B) THE FREE AND REDUCED-COST CARE PROVIDED UNDER SUBSECTION (A)  
30 OF THIS SECTION SHALL BE PROVIDED IN ACCORDANCE WITH THE FINANCIAL  
31 ASSISTANCE POLICY OF THE HOSPITAL DEVELOPED UNDER § 19-214.1 OF THIS  
32 SUBTITLE.

33 (C) THE COMMISSION SHALL:

1           (1)     REQUIRE NONPROFIT HOSPITALS TO PROVIDE DOCUMENTATION  
2 FOR THE FREE AND REDUCED-COST CARE PROVIDED UNDER SUBSECTION (A) OF  
3 THIS SECTION; AND

4           (2)     AUDIT THE DOCUMENTATION TO VERIFY COMPLIANCE WITH THE  
5 REQUIREMENTS OF THIS SECTION.

6     SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 October 1, 2005.