

HOUSE BILL 1069

J3

(9lr2388)

ENROLLED BILL

—Health and Government Operations/Finance—

Introduced by ~~Delegate Hammen~~ Delegates Hammen, Benson, Costa, Montgomery, Nathan-Pulliam, Oaks, Pena-Melnyk, Pendergrass, Reznik, and V. Turner

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Health Services Cost Review Commission - Financial Assistance and Debt**
3 **Collection Policies**

4 FOR the purpose of requiring ~~each hospital~~ the Health Services Cost Review
5 Commission to require certain hospitals in the State to develop a financial
6 assistance policy for providing free care and reduced-cost care to certain
7 patients; requiring a hospital to post a certain notice in its billing office;
8 requiring each hospital to develop an information sheet that meets certain
9 requirements; requiring the ~~Health Services Cost Review~~ Commission to
10 establish uniform requirements for the information sheet and review each
11 hospital's implementation of and compliance with certain requirements;
12 requiring each hospital to ensure the availability of staff with certain training;
13 altering requirements for each hospital's submission of a policy on debt

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 collection; requiring the policy to meet certain requirements; requiring the
 2 Commission to review each hospital's implementation of and compliance with
 3 the policy and requirements; authorizing the Commission to impose a certain
 4 fine under certain circumstances and to consider certain items before imposing
 5 a fine; altering the requirements for regulations establishing alternative
 6 methods for financing certain costs of care; requiring the Commission to
 7 establish a workgroup on patient financial assistance and debt collection for ~~a~~
 8 ~~certain purpose~~ certain purposes; requiring the workgroup to report certain
 9 findings and recommendations on or before a certain date; requiring the
 10 Commission to study, make recommendations, and report on incentives for
 11 hospitals to provide free and reduced-cost care to certain patients; ~~requiring the~~
 12 ~~Office of the Attorney General, in consultation with certain entities and~~
 13 ~~persons, to study, make recommendations, and report on the use of liens and~~
 14 ~~the legal rate of interest on judgments for certain hospital bills;~~ and generally
 15 relating to the Health Services Cost Review Commission and hospital financial
 16 assistance and debt collection policies.

17 BY repealing and reenacting, with amendments,
 18 Article – Health – General
 19 Section 19–214(b) and 19–214.1
 20 Annotated Code of Maryland
 21 (2005 Replacement Volume and 2008 Supplement)

22 BY adding to
 23 Article – Health – General
 24 Section 19–214.2 and 19–214.3
 25 Annotated Code of Maryland
 26 (2005 Replacement Volume and 2008 Supplement)

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

29 **Article – Health – General**

30 19–214.

31 (b) The Commission may adopt regulations establishing alternative methods
 32 for financing the reasonable total costs of hospital uncompensated care provided that
 33 the alternative methods:

34 (1) Are in the public interest;

35 (2) Will equitably distribute the reasonable costs of uncompensated
 36 care;

37 (3) Will fairly determine the cost of reasonable uncompensated care
 38 included in hospital rates;

1 (4) Will continue incentives for hospitals to adopt **FAIR**, efficient, and
2 effective credit and collection policies; and

3 (5) Will not result in significantly increasing costs to Medicare or the
4 loss of Maryland's Medicare Waiver under § 1814(b) of the Social Security Act.

5 19-214.1.

6 ~~(a) Each hospital in the State shall develop a financial assistance policy for~~
7 ~~providing [free and reduced cost care to low income] TO patients who lack health care~~
8 ~~coverage OR WHOSE HEALTH CARE COVERAGE DOES NOT PAY THE FULL COST OF~~
9 ~~THE HOSPITAL BILL;~~

10 (A) (1) THE COMMISSION SHALL REQUIRE EACH ACUTE CARE
11 HOSPITAL IN THE STATE TO DEVELOP A FINANCIAL ASSISTANCE POLICY FOR
12 PROVIDING FREE AND REDUCED-COST CARE TO PATIENTS WHO LACK HEALTH
13 CARE COVERAGE OR WHOSE HEALTH CARE COVERAGE DOES NOT PAY THE FULL
14 COST OF THE HOSPITAL BILL.

15 (2) THE FINANCIAL ASSISTANCE POLICY SHALL PROVIDE, AT A
16 MINIMUM:

17 ~~(1)~~ (I) FREE MEDICALLY NECESSARY CARE TO PATIENTS WITH
18 FAMILY INCOME AT OR BELOW 150% OF THE FEDERAL POVERTY LEVEL; AND

19 ~~(2)~~ (II) REDUCED-COST MEDICALLY NECESSARY CARE TO
20 LOW-INCOME PATIENTS WITH FAMILY INCOME ABOVE 150% OF THE FEDERAL
21 POVERTY LEVEL, IN ACCORDANCE WITH THE MISSION AND SERVICE AREA OF
22 THE HOSPITAL.

23 (3) (I) THE COMMISSION BY REGULATION MAY ESTABLISH
24 INCOME THRESHOLDS HIGHER THAN THOSE UNDER PARAGRAPH (2) OF THIS
25 SUBSECTION.

26 (II) IN ESTABLISHING INCOME THRESHOLDS THAT ARE
27 HIGHER THAN THOSE UNDER PARAGRAPH (2) OF THIS SUBSECTION FOR A
28 HOSPITAL, THE COMMISSION SHALL TAKE INTO ACCOUNT:

- 29 1. THE PATIENT MIX OF THE HOSPITAL;
- 30 2. THE FINANCIAL CONDITION OF THE HOSPITAL;
- 31 3. THE LEVEL OF BAD DEBT EXPERIENCED BY THE
32 HOSPITAL; AND

1 **4. HOW TO APPLY FOR THE MARYLAND MEDICAL**
2 **ASSISTANCE PROGRAM AND ANY OTHER PROGRAMS THAT MAY HELP PAY THE**
3 **BILL;**

4 **(IV) PROVIDES CONTACT INFORMATION FOR THE**
5 **MARYLAND MEDICAL ASSISTANCE PROGRAM; AND**

6 **(V) INCLUDES A STATEMENT THAT PHYSICIAN CHARGES**
7 **ARE NOT INCLUDED IN THE HOSPITAL BILL AND ARE BILLED SEPARATELY.**

8 **(2) THE INFORMATION SHEET SHALL BE PROVIDED TO THE**
9 **PATIENT, THE PATIENT'S FAMILY, OR THE PATIENT'S AUTHORIZED**
10 **REPRESENTATIVE:**

11 **(I) BEFORE DISCHARGE;**

12 **(II) WITH THE HOSPITAL BILL; AND**

13 **(III) ON REQUEST.**

14 **(3) THE HOSPITAL BILL SHALL INCLUDE A REFERENCE TO THE**
15 **INFORMATION SHEET.**

16 **(4) THE COMMISSION SHALL:**

17 **(I) ESTABLISH UNIFORM REQUIREMENTS FOR THE**
18 **INFORMATION SHEET; AND**

19 **(II) REVIEW EACH HOSPITAL'S IMPLEMENTATION OF AND**
20 **COMPLIANCE WITH THE REQUIREMENTS OF THIS SUBSECTION.**

21 **[(f) (1) Each hospital shall submit to the Commission the hospital's policy**
22 **on the collection of debts owed by patients who qualify for reduced-cost care under the**
23 **hospital's financial assistance policy.**

24 **(2) On or before July 1, 2006, the Commission shall report, in**
25 **accordance with § 2-1246 of the State Government Article, to the House Health and**
26 **Government Operations Committee and the Senate Finance Committee on the details**
27 **of the policies submitted to the Commission under paragraph (1) of this subsection.]**

28 **(F) EACH HOSPITAL SHALL ENSURE THE AVAILABILITY OF STAFF WHO**
29 **ARE TRAINED TO WORK WITH THE PATIENT, THE PATIENT'S FAMILY, AND THE**
30 **PATIENT'S AUTHORIZED REPRESENTATIVE IN ORDER TO UNDERSTAND:**

- 1 (1) **THE PATIENT’S HOSPITAL BILL;**
- 2 (2) **THE PATIENT’S RIGHTS AND OBLIGATIONS WITH REGARD TO**
3 **THE HOSPITAL BILL;**
- 4 (3) **HOW TO APPLY FOR THE MARYLAND MEDICAL ASSISTANCE**
5 **PROGRAM AND ANY OTHER PROGRAMS THAT MAY HELP PAY THE HOSPITAL**
6 **BILL; AND**
- 7 (4) **HOW TO CONTACT THE HOSPITAL FOR ADDITIONAL**
8 **ASSISTANCE.**

9 **19-214.2.**

10 (A) **EACH HOSPITAL SHALL SUBMIT TO THE COMMISSION, AT TIMES**
11 **PRESCRIBED BY THE COMMISSION, THE HOSPITAL’S POLICY ON THE**
12 **COLLECTION OF DEBTS OWED BY PATIENTS.**

13 (B) **THE POLICY SHALL:**

14 (1) **PROVIDE FOR ACTIVE OVERSIGHT BY THE HOSPITAL OF ANY**
15 **CONTRACT FOR COLLECTION OF DEBTS ON BEHALF OF THE HOSPITAL;**

16 (2) **PROHIBIT THE HOSPITAL FROM SELLING ANY DEBT;**

17 ~~(3) **PROHIBIT THE HOSPITAL FROM PLACING A LIEN ON A**~~
18 ~~**PRIMARY RESIDENCE;**~~

19 ~~(4)~~ (3) **PROHIBIT THE CHARGING OF INTEREST ON ~~OVERDUE~~**
20 **~~BILLS~~ BILLS INCURRED BY SELF-PAY PATIENTS BEFORE A COURT JUDGMENT IS**
21 **OBTAINED;**

22 ~~(5)~~ (4) **DESCRIBE IN DETAIL THE CONSIDERATION BY THE**
23 **HOSPITAL OF PATIENT INCOME, ASSETS, AND OTHER CRITERIA;**

24 ~~(6)~~ (5) **DESCRIBE THE HOSPITAL’S PROCEDURES FOR**
25 **COLLECTING A DEBT; AND**

26 ~~(7)~~ (6) **DESCRIBE THE CIRCUMSTANCES IN WHICH THE**
27 **HOSPITAL WILL SEEK A JUDGMENT AGAINST A PATIENT.**

28 (C) **THE COMMISSION SHALL REVIEW EACH HOSPITAL’S**
29 **IMPLEMENTATION OF AND COMPLIANCE WITH THE HOSPITAL’S POLICY AND THE**
30 **REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION.**

1 **19-214.3.**

2 (A) IF A HOSPITAL KNOWINGLY VIOLATES ANY PROVISION OF §
3 19-214.1 OR § 19-214.2 OF THIS SUBTITLE OR ANY REGULATION ADOPTED
4 UNDER THIS SUBTITLE, THE COMMISSION MAY IMPOSE A FINE NOT TO EXCEED
5 \$50,000 PER VIOLATION.

6 (B) BEFORE IMPOSING A FINE, THE COMMISSION SHALL CONSIDER THE
7 APPROPRIATENESS OF THE FINE IN RELATION TO THE SEVERITY OF THE
8 VIOLATION.

9 SECTION 2. AND BE IT FURTHER ENACTED, That:

10 (a) The Health Services Cost Review Commission shall establish a
11 workgroup on patient financial assistance and debt collection. The workgroup shall
12 review:

13 (1) the need for uniform policies among hospitals relating to patient
14 financial assistance and debt collection and shall consider the following elements for
15 inclusion in collection, including as elements within any uniform policies:

16 ~~(1)~~ (i) income thresholds and any special treatment of disability
17 and pension income;

18 ~~(2)~~ (ii) asset thresholds and treatment of various types of assets;

19 (iii) use of liens to enforce collection of a debt;

20 ~~(3)~~ (iv) collection procedures;

21 ~~(4)~~ (v) establishment of guardianship;

22 ~~(5)~~ (vi) use of judgments to collect debts; and

23 ~~(6)~~ (vii) patient education and outreach to inform patients of the
24 availability of financial assistance with their bills;

25 (2) the desirability of applying any uniform policies to private
26 psychiatric and chronic care hospitals; and

27 (3) the desirability of altering the legal rate of interest on a judgment
28 to collect a hospital debt.

1 (b) The workgroup shall report its findings and recommendations, including
 2 recommendations for legislation, to the Governor and, in accordance with § 2-1246 of
 3 the State Government Article, the General Assembly on or before October 1, 2009.

4 SECTION 3. AND BE IT FURTHER ENACTED, That:

5 (a) The Health Services Cost Review Commission shall study and make
 6 recommendations on incentives for hospitals to provide free and reduced-cost care to
 7 patients without the means to pay their hospital bills.

8 (b) The Commission shall report its findings and recommendations to the
 9 Governor and, in accordance with § 2-1246 of the State Government Article, the
 10 General Assembly on or before October 1, 2009.

11 SECTION 4. AND BE IT FURTHER ENACTED, That:

12 ~~(a) The Office of the Attorney General, in consultation with the American~~
 13 ~~Bar Association, Legal Aid, the University of Maryland Law School, and other~~
 14 ~~interested persons, shall study and make recommendations on the use of liens and the~~
 15 ~~legal rate of interest on a judgment for a hospital bill of a patient without health~~
 16 ~~insurance. The study shall take into account the use of liens and the legal rate of~~
 17 ~~interest on other types of debt.~~

18 ~~(b) The Judiciary shall report its findings and recommendations to the~~
 19 ~~Governor and, in accordance with § 2-1246 of the State Government Article, the~~
 20 ~~General Assembly on or before October 1, 2009.~~

21 ~~SECTION 5. AND BE IT FURTHER ENACTED, That~~ this Act shall take effect
 22 June 1, 2009.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.