

HOUSE BILL 565

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11r0529
CF 11r1577

By: **Delegate Charkoudian**

Introduced and read first time: January 20, 2021

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Facilities – Hospitals – Medical Debt Protection**

3 FOR the purpose of specifying the method for calculating family income to be used for
4 certain purposes under a certain hospital financial assistance policy; requiring a
5 hospital to submit annually a certain report to the Health Services Cost Review
6 Commission at a certain time; requiring the Commission to post certain information
7 on its website; altering the required contents of a hospital's policy on the collection
8 of debts owed by patients; requiring a hospital to provide a refund of certain amounts
9 collected from a patient or the guarantor of a patient who was found eligible for
10 reduced-cost care on the date of service; establishing certain prohibitions on
11 hospitals that charge interest fees on hospital bills; requiring a hospital to provide
12 in writing to certain patients information about the availability of a certain
13 installment payment plan; requiring a hospital to provide certain information to a
14 patient, the patient's family, an authorized representative, or the patient's legal
15 guardian at certain times; prohibiting a certain payment plan from requiring a
16 patient to make certain monthly payments and imposing certain penalties; requiring
17 a hospital to determine certain adjusted monthly income in a certain manner under
18 certain circumstances; requiring a certain payment plan to have a certain repayment
19 period; establishing that certain patients are deemed to be compliant with a certain
20 payment plan under certain circumstances; requiring a hospital to demonstrate that
21 it attempted in good faith to meet certain requirements before the hospital takes
22 certain actions; altering and specifying certain time periods during which and the
23 circumstances under which a hospital is prohibited from taking a certain action;
24 prohibiting a hospital from reporting certain information about certain patients to a
25 consumer reporting agency; prohibiting a hospital from taking certain actions
26 against certain patients under certain circumstances; requiring a hospital to provide
27 certain instructions to a consumer reporting agency under certain circumstances;
28 repealing a certain authorization for a hospital to hold a certain lien; prohibiting a
29 hospital from requesting a certain lien in a certain action; prohibiting a hospital from
30 filing an action or giving a certain notice to a patient for nonpayment of debt until
31 after a certain time period; prohibiting a hospital from taking certain actions if the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 hospital files a certain action; prohibiting a hospital from requesting a certain writ
 2 to garnish certain wages or filing a certain action under certain circumstances;
 3 prohibiting a hospital from filing a certain action if a certain debt is below a certain
 4 amount; prohibiting a hospital from making a certain claim against an estate of a
 5 deceased patient; prohibiting a hospital from filing a certain action against a certain
 6 patient or until certain conditions are met; prohibiting a hospital from delegating
 7 certain collection activity to a debt collector to collect a certain amount of debt;
 8 prohibiting certain individuals from being held liable for a certain debt; authorizing
 9 a certain individual to consent to assume a certain liability under certain
 10 circumstances; requiring a hospital to send a certain written notice of intent at least
 11 a certain period of time before filing a certain action; providing for the manner of
 12 delivery, content, and structure of a certain notice of intent; requiring a certain
 13 complaint to include a certain affidavit and be accompanied by certain documents;
 14 requiring that a hospital require a debt collector to have certain responsibility for
 15 meeting certain requirements under certain circumstances; requiring the
 16 Commission to prepare a certain annual report; requiring that a certain report be
 17 made available to the public in a certain manner and submitted to certain
 18 committees of the General Assembly; altering certain references by changing
 19 “outside collection agency” to “debt collector”; making conforming changes; and
 20 generally relating to hospital debt collection policies.

21 BY repealing and reenacting, without amendments,
 22 Article – Health – General
 23 Section 19–214.1(b)(1)
 24 Annotated Code of Maryland
 25 (2019 Replacement Volume and 2020 Supplement)

26 BY repealing and reenacting, with amendments,
 27 Article – Health – General
 28 Section 19–214.1(b)(2)(i) and (ii) and 19–214.2
 29 Annotated Code of Maryland
 30 (2019 Replacement Volume and 2020 Supplement)

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

33 **Article – Health – General**

34 19–214.1.

35 (b) (1) The Commission shall require each acute care hospital and each chronic
 36 care hospital in the State under the jurisdiction of the Commission to develop a financial
 37 assistance policy for providing free and reduced–cost care to patients who lack health care
 38 coverage or whose health care coverage does not pay the full cost of the hospital bill.

39 (2) The financial assistance policy shall provide, at a minimum:

1 (i) Free medically necessary care to patients with family income at
2 or below 200% of the federal poverty level, **CALCULATED AT THE TIME OF SERVICE OR**
3 **UPDATED, AS APPROPRIATE, TO ACCOUNT FOR ANY CHANGE IN FINANCIAL**
4 **CIRCUMSTANCES OF THE PATIENT THAT OCCURS WITHIN 240 DAYS AFTER THE**
5 **INITIAL HOSPITAL BILL IS PROVIDED;**

6 (ii) Reduced-cost medically necessary care to low-income patients
7 with family income above 200% of the federal poverty level, **CALCULATED AT THE TIME**
8 **OF SERVICE OR UPDATED, AS APPROPRIATE, TO ACCOUNT FOR ANY CHANGE IN**
9 **FINANCIAL CIRCUMSTANCES OF THE PATIENT THAT OCCURS WITHIN 240 DAYS**
10 **AFTER THE INITIAL HOSPITAL BILL IS PROVIDED,** in accordance with the mission and
11 service area of the hospital;

12 19-214.2.

13 (a) **(1)** Each hospital **ANNUALLY** shall submit to the Commission[, at]:

14 **(I)** **AT** times prescribed by the Commission, the hospital's policy on
15 the collection of debts owed by patients; **AND**

16 **(II)** **A REPORT INCLUDING:**

17 **1. THE TOTAL NUMBER OF PATIENTS BY RACE OR**
18 **ETHNICITY, GENDER, AND ZIP CODE OF RESIDENCE AGAINST WHOM THE HOSPITAL,**
19 **OR A DEBT COLLECTOR USED BY THE HOSPITAL, FILED AN ACTION TO COLLECT A**
20 **DEBT OWED ON A HOSPITAL BILL;**

21 **2. THE TOTAL NUMBER OF PATIENTS BY RACE OR**
22 **ETHNICITY, GENDER, AND ZIP CODE OF RESIDENCE WITH RESPECT TO WHOM THE**
23 **HOSPITAL HAS AND HAS NOT REPORTED OR CLASSIFIED A BAD DEBT; AND**

24 **3. THE TOTAL DOLLAR AMOUNT OF THE COSTS OF**
25 **HOSPITAL SERVICES PROVIDED TO PATIENTS BUT NOT COLLECTED BY THE**
26 **HOSPITAL FOR PATIENTS COVERED BY INSURANCE AND PATIENTS WITHOUT**
27 **INSURANCE.**

28 **(2)** **THE COMMISSION SHALL POST THE INFORMATION SUBMITTED**
29 **UNDER PARAGRAPH (1) OF THIS SUBSECTION ON ITS WEBSITE.**

30 (b) The policy **SUBMITTED UNDER SUBSECTION (A)(1) OF THIS SECTION**
31 shall:

32 (1) Provide for active oversight by the hospital of any contract for collection
33 of debts on behalf of the hospital;

1 (2) Prohibit the hospital from selling any debt;

2 (3) Prohibit the charging of interest on bills incurred by self-pay patients
3 before a court judgment is obtained;

4 (4) Describe in detail the consideration by the hospital of patient income,
5 assets, and other criteria;

6 **(5) PROHIBIT THE HOSPITAL FROM REPORTING TO A CONSUMER**
7 **REPORTING AGENCY OR FILING A CIVIL ACTION TO COLLECT A DEBT WITHIN 180**
8 **DAYS AFTER THE INITIAL BILL IS PROVIDED;**

9 ~~[(5)]~~ **(6)** Describe the hospital's procedures for collecting a debt;

10 ~~[(6)]~~ **(7)** Describe the circumstances in which the hospital will seek a
11 judgment against a patient;

12 ~~[(7)]~~ **(8)** In accordance with subsection (c) of this section, provide for a
13 refund of amounts collected from a patient or the guarantor of a patient who was [later]
14 found to be eligible for free **OR REDUCED-COST** care [on the date of service] **MORE THAN**
15 **240 DAYS AFTER THE FIRST POSTDISCHARGE BILL WAS PROVIDED;**

16 ~~[(8)]~~ **(9)** If the hospital has obtained a judgment against or reported
17 adverse information to a consumer reporting agency about a patient who [later] was found
18 to be eligible for free **OR REDUCED-COST** care [on the date of the service] **MORE THAN**
19 **180 DAYS AFTER THE FIRST POSTDISCHARGE BILL WAS PROVIDED** for which the
20 judgment was awarded or the adverse information was reported, require the hospital to
21 seek to vacate the judgment or strike the adverse information; [and]

22 ~~[(9)]~~ **(10)** Provide a mechanism for a patient to:

23 (i) Request the hospital to reconsider the denial of free or
24 reduced-cost care; [and]

25 (ii) File with the hospital a complaint against the hospital or [an
26 outside collection agency] **A DEBT COLLECTOR** used by the hospital regarding the
27 handling of the patient's bill; **AND**

28 **(III) ALLOW THE PATIENT AND THE HOSPITAL TO MUTUALLY**
29 **AGREE TO MODIFY THE TERMS OF A PAYMENT PLAN OFFERED UNDER SUBSECTION**
30 **(E) OF THIS SECTION OR ENTERED INTO WITH THE PATIENT; AND**

31 **(11) PROHIBIT THE HOSPITAL FROM COLLECTING ADDITIONAL FEES**
32 **IN AN AMOUNT THAT EXCEEDS THE COST OF THE HOSPITAL SERVICE FOR WHICH**

1 **THE MEDICAL DEBT IS OWED ON A BILL FOR A PATIENT WHO IS ELIGIBLE FOR FREE**
2 **OR REDUCED-COST CARE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY.**

3 (c) (1) Beginning October 1, 2010, a hospital shall provide for a refund of
4 amounts exceeding \$25 collected from a patient or the guarantor of a patient who, within a
5 2-year period after the date of service, was found to be eligible for free **OR REDUCED-COST**
6 care on the date of service.

7 (2) A hospital may reduce the 2-year period under paragraph (1) of this
8 subsection to no less than 30 days after the date the hospital requests information from a
9 patient, or the guarantor of a patient, to determine the patient's eligibility for free **OR**
10 **REDUCED-COST** care at the time of service, if the hospital documents the lack of
11 cooperation of the patient or the guarantor of a patient in providing the requested
12 information.

13 (3) If a patient is enrolled in a means-tested government health care plan
14 that requires the patient to pay out-of-pocket for hospital services, a hospital's refund
15 policy shall provide for a refund that complies with the terms of the patient's plan.

16 **(D) IF A HOSPITAL CHARGES INTEREST FEES ON A HOSPITAL BILL, THE**
17 **HOSPITAL MAY NOT:**

18 **(1) CHARGE INTEREST IN EXCESS OF AN EFFECTIVE RATE OF SIMPLE**
19 **INTEREST OF 1.5% PER ANNUM ON THE UNPAID PORTION OF A HOSPITAL BILL;**

20 **(2) CHARGE INTEREST OR FEES ON ANY DEBT INCURRED ON OR**
21 **AFTER THE DATE OF SERVICE BY A PATIENT WHO IS ELIGIBLE FOR FREE OR**
22 **REDUCED-COST CARE UNDER § 19-214.1 OF THIS SUBTITLE; OR**

23 **(3) BEGIN ACCRUAL OF INTEREST OR LATE PAYMENT CHARGES**
24 **UNTIL 180 DAYS AFTER THE DATE OF THE LATER OF:**

25 **(I) THE END OF EACH REGULAR BILLING PERIOD; OR**

26 **(II) THE PATIENT'S DISCHARGE.**

27 **(E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A HOSPITAL**
28 **SHALL PROVIDE IN WRITING TO EACH PATIENT WHO INCURS MEDICAL DEBT**
29 **INFORMATION ABOUT THE AVAILABILITY OF AN INSTALLMENT PAYMENT PLAN FOR**
30 **THE DEBT.**

31 **(2) A HOSPITAL SHALL PROVIDE THE INFORMATION UNDER**
32 **PARAGRAPH (1) OF THIS SUBSECTION TO THE PATIENT, THE PATIENT'S FAMILY, THE**
33 **PATIENT'S AUTHORIZED REPRESENTATIVE, OR THE PATIENT'S LEGAL GUARDIAN:**

- 1 **(I) BEFORE THE PATIENT IS DISCHARGED;**
2 **(II) WITH THE HOSPITAL BILL;**
3 **(III) ON REQUEST; AND**
4 **(IV) IN EACH WRITTEN COMMUNICATION TO THE PATIENT**
5 **REGARDING COLLECTION OF HOSPITAL DEBT.**

6 **(3) (I) A PAYMENT PLAN OFFERED UNDER THIS SUBSECTION MAY**
7 **NOT:**

8 **1. REQUIRE THE PATIENT TO MAKE MONTHLY**
9 **PAYMENTS THAT EXCEED 5% OF THE INDIVIDUAL PATIENT'S FEDERAL OR STATE**
10 **ADJUSTED GROSS MONTHLY INCOME; OR**

11 **2. IMPOSE PENALTIES OR FEES FOR PREPAYMENT OR**
12 **EARLY PAYMENT.**

13 **(II) IF THE PATIENT DOES NOT SUBMIT TAX DOCUMENTATION**
14 **TO BE USED FOR DETERMINING A PAYMENT PLAN, A HOSPITAL SHALL DETERMINE A**
15 **PATIENT'S ADJUSTED GROSS MONTHLY INCOME BY FOLLOWING STANDARDS FOR**
16 **THE DETERMINATION OF INCOME THAT ARE DEVELOPED BY THE COMMISSION IN**
17 **REGULATIONS.**

18 **(4) A PAYMENT PLAN UNDER THIS SUBSECTION SHALL HAVE A**
19 **REPAYMENT PERIOD THAT IS NOT LESS THAN THE LONGER OF:**

20 **(I) 36 MONTHS; OR**

21 **(II) A TIME PERIOD THAT WOULD ENSURE THAT PAYMENTS ARE**
22 **GREATER THAN ACCRUED INTEREST.**

23 **(5) A PATIENT SHALL BE DEEMED TO BE COMPLIANT WITH A**
24 **PAYMENT PLAN IF THE PATIENT MAKES AT LEAST 11 SCHEDULED MONTHLY**
25 **PAYMENTS WITHIN A 12-MONTH PERIOD.**

26 **(6) A HOSPITAL SHALL DEMONSTRATE THAT IT ATTEMPTED IN GOOD**
27 **FAITH TO MEET THE REQUIREMENTS OF THIS SUBSECTION BEFORE THE HOSPITAL:**

28 **(I) FILES AN ACTION TO COLLECT A DEBT OWED ON A HOSPITAL**
29 **BILL BY A PATIENT; OR**

1 **(II) DELEGATES COLLECTION ACTIVITY TO A DEBT COLLECTOR**
2 **FOR A DEBT OWED ON A HOSPITAL BILL BY A PATIENT.**

3 **[(d)] (F)** (1) For at least **[120] 180** days after **[issuing an initial patient bill]**
4 **THE FIRST POSTDISCHARGE BILL WAS PROVIDED**, a hospital may not report adverse
5 information about a patient to a consumer reporting agency or commence civil action
6 against a patient for nonpayment **[unless the hospital documents the lack of cooperation of**
7 **the patient or the guarantor of the patient in providing information needed to determine**
8 **the patient's obligation with regard to the hospital bill].**

9 (2) A hospital shall report the fulfillment of a patient's payment obligation
10 within 60 days after the obligation is fulfilled to any consumer reporting agency to which
11 the hospital had reported adverse information about the patient.

12 **(3) A HOSPITAL MAY NOT REPORT ADVERSE INFORMATION TO A**
13 **CONSUMER REPORTING AGENCY REGARDING A PATIENT WHO AT THE TIME OF**
14 **SERVICE WAS UNINSURED OR ELIGIBLE FOR FREE OR REDUCED-COST CARE UNDER**
15 **§ 19-214.1 OF THIS SUBTITLE.**

16 **(4) A HOSPITAL MAY NOT REPORT ADVERSE INFORMATION ABOUT A**
17 **PATIENT TO A CONSUMER REPORTING AGENCY, COMMENCE A CIVIL ACTION**
18 **AGAINST A PATIENT FOR NONPAYMENT, OR DELEGATE COLLECTION ACTIVITY TO A**
19 **DEBT COLLECTOR:**

20 **(I) IF THE HOSPITAL WAS INFORMED BY THE PATIENT OR THE**
21 **INSURANCE CARRIER THAT AN APPEAL OR A REVIEW OF A HEALTH INSURANCE**
22 **DECISION IS PENDING, AND UNTIL 60 DAYS AFTER THE APPEAL IS COMPLETE; OR**

23 **(II) UNTIL 60 DAYS AFTER THE HOSPITAL HAS COMPLETED A**
24 **REQUESTED RECONSIDERATION OF THE DENIAL OF FREE OR REDUCED-COST CARE.**

25 **(5) IF A HOSPITAL HAS REPORTED ADVERSE INFORMATION ABOUT A**
26 **PATIENT TO A CONSUMER REPORTING AGENCY, THE HOSPITAL SHALL INSTRUCT**
27 **THE CONSUMER REPORTING AGENCY TO DELETE THE ADVERSE INFORMATION**
28 **ABOUT THE PATIENT:**

29 **(I) IF THE HOSPITAL WAS INFORMED BY THE PATIENT OR THE**
30 **INSURANCE CARRIER THAT AN APPEAL OR A REVIEW OF A HEALTH INSURANCE**
31 **DECISION IS PENDING, AND UNTIL 60 DAYS AFTER THE APPEAL IS COMPLETE; OR**

32 **(II) UNTIL 60 DAYS AFTER THE HOSPITAL HAS COMPLETED A**
33 **REQUESTED RECONSIDERATION OF THE DENIAL OF FREE OR REDUCED-COST CARE.**

1 **[(e)] (G)** (1) A hospital may not force the sale or foreclosure of a patient's
2 primary residence to collect a debt owed on a hospital bill.

3 (2) [If a hospital holds a lien on a patient's primary residence, the hospital
4 may maintain its position as a secured creditor with respect to other creditors to whom the
5 patient may owe a debt] **A HOSPITAL MAY NOT REQUEST A LIEN AGAINST A PATIENT'S**
6 **PRIMARY RESIDENCE IN AN ACTION TO COLLECT DEBT OWED ON A HOSPITAL BILL.**

7 **(3) (I) A HOSPITAL MAY NOT FILE AN ACTION AGAINST A PATIENT**
8 **TO COLLECT A DEBT OWED ON A HOSPITAL BILL OR GIVE NOTICE TO A PATIENT**
9 **UNDER SUBSECTION (I) OF THIS SECTION UNTIL AFTER 180 DAYS AFTER THE FIRST**
10 **POSTDISCHARGE BILL WAS PROVIDED.**

11 **(II) IF A HOSPITAL FILES AN ACTION TO COLLECT THE DEBT**
12 **OWED ON A HOSPITAL BILL, THE HOSPITAL MAY NOT REQUEST THE ISSUANCE OF OR**
13 **OTHERWISE KNOWINGLY TAKE ACTION THAT WOULD CAUSE A COURT TO ISSUE:**

14 1. **A BODY ATTACHMENT AGAINST A PATIENT; OR**

15 2. **AN ARREST WARRANT AGAINST A PATIENT.**

16 **(4) A HOSPITAL MAY NOT REQUEST A WRIT OF GARNISHMENT OF**
17 **WAGES OR FILE AN ACTION THAT WOULD RESULT IN AN ATTACHMENT OF WAGES**
18 **AGAINST A PATIENT TO COLLECT DEBT OWED ON A HOSPITAL BILL IF THE PATIENT**
19 **IS ELIGIBLE FOR FREE OR REDUCED-COST CARE UNDER § 19-214.1 OF THIS**
20 **SUBTITLE.**

21 **(5) A HOSPITAL MAY NOT FILE AN ACTION AGAINST A PATIENT TO**
22 **COLLECT A DEBT OWED ON A HOSPITAL BILL IN AN AMOUNT OF \$1,000 OR LESS.**

23 **(6) A HOSPITAL MAY NOT MAKE A CLAIM AGAINST THE ESTATE OF A**
24 **DECEASED PATIENT TO COLLECT A DEBT OWED ON A HOSPITAL BILL.**

25 **(7) A HOSPITAL MAY NOT FILE AN ACTION TO COLLECT A DEBT OWED**
26 **ON A HOSPITAL BILL BY A PATIENT:**

27 **(I) WHO WAS UNINSURED AT THE TIME SERVICE WAS**
28 **PROVIDED; OR**

29 **(II) UNTIL THE HOSPITAL DETERMINES WHETHER THE PATIENT**
30 **IS ELIGIBLE FOR FREE OR REDUCED-COST CARE UNDER § 19-214.1 OF THIS**
31 **SUBTITLE.**

32 **(8) A HOSPITAL MAY NOT DELEGATE COLLECTION ACTIVITY TO A**

1 DEBT COLLECTOR FOR DEBT OWED ON A HOSPITAL BILL BY A PATIENT THAT IS
2 \$1,000 OR LESS.

3 (H) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
4 SPOUSE OR ANOTHER INDIVIDUAL MAY NOT BE HELD LIABLE FOR THE DEBT OWED
5 ON A HOSPITAL BILL OF AN INDIVIDUAL WHO IS AT LEAST 18 YEARS OLD.

6 (2) AN INDIVIDUAL MAY VOLUNTARILY CONSENT TO ASSUME
7 LIABILITY FOR THE DEBT OWED ON A HOSPITAL BILL OF ANY OTHER INDIVIDUAL IF
8 THE CONSENT IS:

9 (I) MADE ON A SEPARATE DOCUMENT SIGNED BY THE
10 INDIVIDUAL;

11 (II) NOT SOLICITED IN AN EMERGENCY ROOM OR DURING AN
12 EMERGENCY SITUATION; AND

13 (III) NOT REQUIRED AS A CONDITION OF PROVIDING ANY
14 EMERGENCY OR NONEMERGENCY HEALTH CARE SERVICES.

15 (I) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AT LEAST 45
16 DAYS BEFORE FILING AN ACTION AGAINST A PATIENT TO COLLECT ON THE DEBT
17 OWED ON A HOSPITAL BILL, A HOSPITAL SHALL SEND WRITTEN NOTICE OF THE
18 INTENT TO FILE AN ACTION TO THE PATIENT.

19 (2) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS
20 SUBSECTION SHALL:

21 (I) BE SENT TO THE PATIENT BY CERTIFIED MAIL AND
22 FIRST-CLASS MAIL;

23 (II) BE IN SIMPLIFIED LANGUAGE AS DETERMINED IN
24 REGULATIONS ADOPTED BY THE COMMISSION AND IN AT LEAST 10 POINT TYPE;

25 (III) INCLUDE:

26 1. THE NAME AND TELEPHONE NUMBER OF:

27 A. THE HOSPITAL;

28 B. IF APPLICABLE, THE DEBT COLLECTOR; AND

29 C. AN AGENT OF THE HOSPITAL AUTHORIZED TO MODIFY

1 THE TERMS OF THE PAYMENT PLAN, IF ANY;

2 2. THE AMOUNT REQUIRED TO CURE THE NONPAYMENT
3 OF DEBT, INCLUDING PAST DUE PAYMENTS, PENALTIES, AND FEES;

4 3. A STATEMENT RECOMMENDING THAT THE PATIENT
5 SEEK DEBT COUNSELING SERVICES;

6 4. TELEPHONE NUMBERS AND INTERNET ADDRESSES
7 OF NONPROFIT AND GOVERNMENT RESOURCES, INCLUDING THE HEALTH
8 EDUCATION ADVOCACY UNIT IN THE OFFICE OF THE ATTORNEY GENERAL,
9 AVAILABLE TO ASSIST PATIENTS EXPERIENCING MEDICAL DEBT;

10 5. AN EXPLANATION OF THE HOSPITAL'S FINANCIAL
11 ASSISTANCE POLICY;

12 6. AN EXPLANATION OF THE STATE MEDICAL DEBT
13 COLLECTION PROCESS AND TIMELINE;

14 7. AN EXPLANATION OF THE PATIENT'S RIGHT TO
15 APPEAL TO THE PATIENT'S INSURANCE CARRIER, THE MARYLAND INSURANCE
16 ADMINISTRATION, OR THE HOSPITAL FOR ANY DENIED REIMBURSEMENT OR
17 ACCESS TO FREE OR REDUCED-COST CARE, AND THE NEED TO INFORM THE
18 HOSPITAL IF AN APPEAL IS IN PROCESS; AND

19 8. ANY OTHER RELEVANT INFORMATION PRESCRIBED
20 BY THE COMMISSION; AND

21 (IV) BE PROVIDED IN THE PATIENT'S PREFERRED LANGUAGE
22 OR, IF NO PREFERRED LANGUAGE IS SPECIFIED, EACH LANGUAGE SPOKEN BY A
23 LIMITED ENGLISH PROFICIENT POPULATION THAT CONSTITUTES 5% OF THE
24 POPULATION WITHIN THE JURISDICTION IN WHICH THE HOSPITAL IS LOCATED AS
25 MEASURED BY THE MOST RECENT FEDERAL CENSUS.

26 (3) THE NOTICE REQUIRED UNDER THIS SUBSECTION SHALL BE
27 ACCOMPANIED BY:

28 (I) AN APPLICATION FOR FINANCIAL ASSISTANCE UNDER THE
29 HOSPITAL'S FINANCIAL ASSISTANCE POLICY, ALONG WITH INSTRUCTIONS FOR
30 COMPLETING THE APPLICATION FOR FINANCIAL ASSISTANCE, AND THE TELEPHONE
31 NUMBER TO CALL TO CONFIRM RECEIPT OF THE APPLICATION;

32 (II) THE AVAILABILITY OF A PAYMENT PLAN TO SATISFY THE

1 MEDICAL DEBT THAT IS THE SUBJECT OF THE HOSPITAL DEBT COLLECTION ACTION;
2 AND

3 (III) THE INFORMATION SHEET REQUIRED UNDER § 19-214.1(F)
4 OF THIS SUBTITLE.

5 (J) A COMPLAINT BY A HOSPITAL IN AN ACTION TO COLLECT A DEBT OWED
6 ON A HOSPITAL BILL BY A PATIENT SHALL:

7 (1) INCLUDE AN AFFIDAVIT STATING:

8 (I) THE DATE ON WHICH THE 180-DAY PERIOD REQUIRED
9 UNDER SUBSECTION (G)(3) OF THIS SECTION ELAPSED AND THE NATURE OF THE
10 NONPAYMENT;

11 (II) THAT A NOTICE OF INTENT TO FILE AN ACTION UNDER
12 SUBSECTION (I) OF THIS SECTION:

13 1. WAS SENT TO THE PATIENT AND THE DATE ON WHICH
14 THE NOTICE WAS SENT; AND

15 2. ACCURATELY REFLECTED THE CONTENTS REQUIRED
16 TO BE INCLUDED IN THE NOTICE;

17 (III) THAT THE HOSPITAL PROVIDED:

18 1. THE PATIENT WITH A COPY OF THE INFORMATION
19 SHEET ON THE FINANCIAL ASSISTANCE POLICY IN ACCORDANCE WITH SUBSECTION
20 (I)(3)(II) OF THIS SECTION; AND

21 2. ORAL NOTICE OF THE FINANCIAL ASSISTANCE
22 POLICY;

23 (IV) THAT THE HOSPITAL MADE A DETERMINATION REGARDING
24 WHETHER THE PATIENT IS ELIGIBLE FOR THE HOSPITAL'S FINANCIAL ASSISTANCE
25 POLICY IN ACCORDANCE WITH § 19-214.1 OF THIS SUBTITLE; AND

26 (V) THAT THE HOSPITAL MADE A GOOD-FAITH EFFORT TO
27 MEET THE REQUIREMENTS OF SUBSECTION (E) OF THIS SECTION; AND

28 (2) BE ACCOMPANIED BY:

29 (I) THE ORIGINAL OR A CERTIFIED COPY OF THE HOSPITAL

1 **BILL;**

2 (II) **A STATEMENT OF THE REMAINING DUE AND PAYABLE DEBT**
3 **SUPPORTED BY AN AFFIDAVIT OF THE PLAINTIFF, THE HOSPITAL, OR THE AGENT OR**
4 **ATTORNEY OF THE PLAINTIFF OR HOSPITAL;**

5 (III) **A COPY OF THE MOST RECENT HOSPITAL BILL SENT TO THE**
6 **PATIENT;**

7 (IV) **IF THE DEFENDANT IS ELIGIBLE FOR FEDERAL SERVICE**
8 **MEMBERS CIVIL RELIEF ACT BENEFITS, AN AFFIDAVIT THAT THE HOSPITAL IS IN**
9 **COMPLIANCE WITH THE ACT;**

10 (V) **A COPY OF THE NOTICE OF INTENT TO FILE AN ACTION ON A**
11 **HOSPITAL BILL;**

12 (VI) **DOCUMENTATION THAT THE PATIENT HAS ACKNOWLEDGED**
13 **RECEIPT OF A COPY OF THE INFORMATION REQUIRED TO BE PROVIDED BY THE**
14 **HOSPITAL UNDER SUBSECTION (I)(3) OF THIS SECTION; AND**

15 (VII) **DOCUMENTATION THAT THE HOSPITAL HAS PROVIDED**
16 **WRITTEN AND ORAL NOTICE OF THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY TO**
17 **THE PATIENT.**

18 [(f)] (K) If a hospital delegates collection activity to [an outside collection
19 agency] **A DEBT COLLECTOR**, the hospital shall:

20 (1) Specify the collection activity to be performed by the [outside collection
21 agency] **DEBT COLLECTOR** through an explicit authorization or contract;

22 (2) Require the [outside collection agency] **DEBT COLLECTOR** to abide by
23 the hospital's credit and collection policy;

24 (3) Specify procedures the [outside collection agency] **DEBT COLLECTOR**
25 must follow if a patient appears to qualify for financial assistance; and

26 (4) Require the [outside collection agency] **DEBT COLLECTOR** to:

27 (i) In accordance with the hospital's policy, provide a mechanism for
28 a patient to file with the hospital a complaint against the hospital or the [outside collection
29 agency] **DEBT COLLECTOR** regarding the handling of the patient's bill; [and]

30 (ii) Forward the complaint to the hospital if a patient files a
31 complaint with the [collection agency] **DEBT COLLECTOR; AND**

1 **(III) ALONG WITH THE HOSPITAL, BE JOINTLY AND SEVERALLY**
2 **RESPONSIBLE FOR MEETING THE REQUIREMENTS OF THIS SECTION.**

3 **[(g)] (L)** (1) The board of directors of each hospital shall review and approve
4 the financial assistance and debt collection policies of the hospital at least every 2 years.

5 (2) A hospital may not alter its financial assistance or debt collection
6 policies without approval by the board of directors.

7 **[(h)] (M)** The Commission shall review each hospital's implementation of and
8 compliance with the hospital's policies and the requirements of this section.

9 **(N) (1) THE COMMISSION SHALL PREPARE AN ANNUAL MEDICAL DEBT**
10 **COLLECTION REPORT THAT IS BASED ON SPECIAL AUDIT PROCEDURE**
11 **REQUIREMENTS FOR HOSPITALS RELATED TO MEDICAL DEBT.**

12 **(2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS**
13 **SUBSECTION SHALL BE:**

14 **(I) MADE AVAILABLE TO THE PUBLIC FREE OF CHARGE; AND**

15 **(II) SUBMITTED TO THE SENATE FINANCE COMMITTEE AND**
16 **THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE IN**
17 **ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.**

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2021.