

HOUSE BILL 1336

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By: **Delegate Cullison**

Introduced and read first time: February 7, 2025

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Hospitals – Financial Assistance – Medical Bill Reimbursement**

3 FOR the purpose of altering requirements related to the reimbursement of out-of-pocket
4 costs paid by certain hospital patients who were eligible for free care; requiring
5 certain hospitals to determine the eligibility of certain patients for refunds and
6 provide a refund to each patient who meets certain requirements; requiring each
7 hospital to conduct a certain marketing campaign related to the refunds; modifying
8 the process the Health Services Cost Review Commission is required to develop for
9 identifying and reimbursing certain patients of hospitals; providing that a hospital
10 is not required to provide certain reimbursements under certain circumstances;
11 requiring a hospital to reimburse certain State government entities for certain costs
12 within a certain time period; and generally relating to medical bill reimbursement.

13 BY repealing and reenacting, with amendments,
14 Article – Health – General
15 Section 19–214.4
16 Annotated Code of Maryland
17 (2023 Replacement Volume and 2024 Supplement)

18 BY repealing and reenacting, with amendments,
19 Chapter 683 of the Acts of the General Assembly of 2022
20 Section 2

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

23 **Article – Health – General**

24 19–214.4.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) The Commission, in coordination with [the Department,] the Department of
2 Human Services, [the Office of the Comptroller, the State Department of Education,] the
3 Health Education and Advocacy Unit, and the Maryland Hospital Association, shall
4 develop a process [that:] **TO IMPLEMENT THE REQUIREMENTS OF THIS SECTION.**

5 **(B) THE DEPARTMENT OF HUMAN SERVICES SHALL:**

6 (1) [Identifies] **USE THE INFORMATION PROVIDED BY EACH HOSPITAL**
7 **UNDER SUBSECTION (H) OF THIS SECTION TO IDENTIFY** the patients who [paid more
8 than \$25 for hospital services who] may have qualified for free care under § 19–214.1 of
9 this subtitle **AND COMAR 10.37.10.26, AS THOSE PROVISIONS WERE IN EFFECT 2017**
10 **THROUGH 2021**, on the date the hospital service was provided during calendar years 2017
11 through 2021;

12 (2) [Provides reimbursement to the patients identified under item (1) of
13 this subsection, which may be applied incrementally;] **NOTIFY THE PATIENTS**
14 **IDENTIFIED UNDER ITEM (1) OF THIS SUBSECTION WHO MAY BE ELIGIBLE FOR A**
15 **REFUND; AND**

16 (3) [Ensures] **ENSURE** that a patient’s alternate address is used if the
17 patient requested an alternate address for safety reasons[; and

18 (4) Determines how the Commission, the Department, the Department of
19 Human Services, the Office of the Comptroller, and the State Department of Education
20 should share with or disclose relevant information, including tax information, to the
21 minimum extent necessary, to the hospital and in accordance with federal and State
22 confidentiality laws for the purpose of carrying out the process developed under this
23 subsection].

24 **(C) EACH ACUTE CARE HOSPITAL AND EACH CHRONIC CARE HOSPITAL IN**
25 **THE STATE UNDER THE JURISDICTION OF THE COMMISSION SHALL:**

26 (1) **DETERMINE THE ELIGIBILITY OF EACH PATIENT WHO CONTACTS**
27 **THE HOSPITAL FOR A REFUND UNDER THIS SECTION; AND**

28 (2) **PROVIDE A REFUND TO EACH PATIENT WHO PAID MORE THAN \$25**
29 **FOR HOSPITAL SERVICES AND WHO QUALIFIED FOR FREE CARE UNDER § 19–214.1**
30 **OF THIS SUBTITLE AND COMAR 10.37.10.26, AS THOSE PROVISIONS WERE IN**
31 **EFFECT 2017 THROUGH 2021, ON THE DATE THE HOSPITAL SERVICE WAS PROVIDED**
32 **DURING CALENDAR YEARS 2017 THROUGH 2021.**

33 [(b)] **(D)** The Health Education Advocacy Unit in the Office of the Attorney
34 General shall assist patients identified under subsection [(a)] **(B)** of this section in
35 obtaining reimbursement under this section.

1 [(d)] (F) [(1)] The Commission may modify the process developed under
2 subsection (a) of this section as necessary.

3 [(2) If reimbursements are provided incrementally and less than 5% of the
4 estimated reimbursements are made each year during the first increment, the Commission
5 is not required to implement additional increments of the process.]

6 [(e)] (G) The [Department, the] Department of Human Services[, the Office of
7 the Comptroller, the State Department of Education,] and each hospital shall report
8 information on the process developed under this section to the Commission, in the time and
9 manner determined by the Commission.

10 [(f)] (H) (1) Notwithstanding any other provision of law, [the Commission,
11 the Department, the Department of Human Services, the Office of the Comptroller, the
12 State Department of Education, and] each hospital shall disclose to:

13 (i) [Each other] **THE DEPARTMENT OF HUMAN SERVICES AND**
14 **THE COMMISSION**, to the minimum extent necessary, relevant information[, including tax
15 information,] necessary for implementation of the process developed under subsection (a)
16 of this section, **INCLUDING INFORMATION IDENTIFYING PATIENTS WHO PAID AN**
17 **OUT-OF-POCKET EXPENSE OF MORE THAN \$25 FOR HOSPITAL SERVICES PROVIDED**
18 **DURING CALENDAR YEARS 2017 THROUGH 2021**; and

19 (ii) The Health Education and Advocacy Unit relevant information
20 necessary for the Health Education and Advocacy Unit to assist patients in obtaining
21 reimbursement under subsection [(a)] (C) of this section, on receipt of the patient's
22 executed authorization for release of medical information form provided by the Health
23 Education and Advocacy Unit or other authorization form required by the Department of
24 Human Services[, the Office of the Comptroller, or the State Department of Education].

25 (2) If the Health Education and Advocacy Unit requests information from
26 [the Commission, the Department,] the Department of Human Services[, the Office of the
27 Comptroller, the State Department of Education,] or a hospital to assist a patient in
28 obtaining reimbursement under subsection [(a)] (C) of this section, [the Commission, the
29 Department,] the Department of Human Services[, the Office of the Comptroller, the State
30 Department of Education,] or the hospital shall provide the information to the Health
31 Education and Advocacy Unit within 10 business days after the date of the receipt of the
32 request.

33 (3) This section may not be construed to make a hospital responsible for
34 the confidentiality of the information in possession of each State entity listed in paragraph
35 (1) of this subsection.

36 [(g)] (I) [(1) (i) On or before January 1, 2023, and October 1, 2024, the
37 Commission shall report to the Senate Finance Committee and the House Health and

1 Government Operations Committee, in accordance with § 2–1257 of the State Government
2 Article, on the development and implementation by hospitals of the process required under
3 subsection (a) of this section.

4 (ii) If the process developed under subsection (a) of this section
5 requires legislation for implementation, the Commission shall include the legislative
6 recommendations in the report required on or before January 1, 2023, under subparagraph
7 (i) of this paragraph.]

8 [(iii)] **(1)** [If the process established under subsection (a) of this
9 section does not require legislation, each] **EACH** hospital shall [implement]:

10 **(I)** **IMPLEMENT** the process developed under subsection (a) of this
11 section [on]; **AND**

12 **(II)** **ON** or before January 1, [2023] **2025**, **BEGIN RECEIVING**
13 **REQUESTS FOR REFUNDS, MAKING ELIGIBILITY DETERMINATIONS, AND ISSUING**
14 **REFUNDS TO ELIGIBLE INDIVIDUALS WITHIN 30 DAYS AFTER A REQUEST FOR A**
15 **REFUND IS RECEIVED.**

16 [(2) (i) Subject to subparagraph (ii) of this paragraph, each hospital the
17 Commission, the Office of the Comptroller, the Department, the Department of Human
18 Services, and the State Department of Education shall implement Option 3 from the “Free
19 Hospital Care Refund Process” report submitted by the Commission in December 2022 as
20 required under paragraph (1)(i) of this subsection and in accordance with this section and
21 § 13–203(c) of the Tax – General Article.

22 (ii) Under the process required under subparagraph (i) of this
23 paragraph, a patient shall qualify for refunds who paid an out-of-pocket expense for
24 services based on the following:

25 1. The Office of the Comptroller determining that the
26 patient’s family income was at or below 200% of the federal poverty level during the year
27 of service date or dates; or

28 2. The Department of Human Services, the Department, or
29 the State Department of Education determining that during the year of service date or
30 dates, the patient:

31 A. Received benefits through the federal Supplemental
32 Nutrition Assistance Program;

33 B. Received benefits through the State’s Energy Assistance
34 Program;

1 C. Received benefits through the federal Special
2 Supplemental Food Program for Women, Infants, and Children; or

3 D. Lived in a household with children enrolled in the free and
4 reduced-cost meal program.]

5 **(2) SUBJECT TO SUBSECTION (E)(2) OF THIS SECTION, A PATIENT**
6 **QUALIFIES FOR A REFUND UNDER THIS SECTION IF:**

7 **(I) THE PATIENT PAID AN OUT-OF-POCKET EXPENSE OF MORE**
8 **THAN \$25 FOR HOSPITAL SERVICES PROVIDED DURING CALENDAR YEARS 2017**
9 **THROUGH 2021; AND**

10 **(II) THE PATIENT QUALIFIED FOR FREE CARE UNDER §**
11 **19-214.1 OF THIS SUBTITLE AND COMAR 10.37.10.26, AS THOSE PROVISIONS WERE**
12 **IN EFFECT 2017 THROUGH 2021, ON THE DATE THE HOSPITAL SERVICE WAS**
13 **PROVIDED.**

14 [(3) The Office of the Comptroller, the Department of Human Services, the
15 Department, the State Department of Education, the Commission, and each hospital may
16 not implement the alternative approach included with Option 3 in the report identified
17 under paragraph (2)(i) of this subsection.]

18 [(h)] **(J) (1) Each hospital shall reimburse the Commission, the Office of the**
19 **Comptroller, the Department, the Department of Human Services, the State Department**
20 **of Education, and the Health Education Advocacy Unit in the Office of the Attorney General**
21 **for the costs incurred by each State entity in complying with this section.**

22 **(2) (i) Reimbursement required under paragraph (1) of this subsection**
23 **shall be based on the hospital's proportion of [the total number of patients who were**
24 **identified by the State entity as potentially eligible for reimbursement in a designated year]**
25 **INPATIENT ADMISSIONS, as determined by the Commission.**

26 **(ii) For the purpose of determining the reimbursement due under**
27 **subparagraph (i) of this paragraph, the State entities identified under paragraph (1) of this**
28 **subsection shall provide quarterly cost information to the Commission.**

29 **(3) The Commission shall provide each hospital with the reimbursement**
30 **amount due to the appropriate State entity based on the costs incurred by the entity in**
31 **complying with this section ON A QUARTERLY BASIS.**

32 **(4) EACH HOSPITAL SHALL PAY THE REIMBURSEMENT AMOUNT DUE**
33 **TO THE APPROPRIATE STATE ENTITY NOT LATER THAN 60 DAYS AFTER RECEIVING**
34 **THE REIMBURSEMENT AMOUNT PROVIDED UNDER PARAGRAPH (3) OF THIS**
35 **SUBSECTION.**

1 **[(i)] (K)** (1) (i) If a hospital fails to provide refunds to patients who
2 qualify under [subsection (g)(2) of this section as required] **THIS SECTION OR FAILS TO**
3 **PAY THE REIMBURSEMENT TO ANY STATE ENTITY UNDER SUBSECTION (J)(4) OF**
4 **THIS SECTION**, the Commission may impose a fine not exceeding \$50,000 per violation.

5 (ii) In determining the amount of a fine to be imposed under
6 subparagraph (i) of this paragraph, the Commission shall consider the appropriateness of
7 the fine in relation to the severity of the violation.

8 (2) A violation of this section by a hospital is:

9 (i) An unfair, abusive, or deceptive trade practice, as defined under
10 Title 13 of the Commercial Law Article; and

11 (ii) Subject to enforcement and penalty provisions of Title 13 of the
12 Commercial Law Article.

13 **Chapter 683 of the Acts of 2022**

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
15 1, 2022. It shall remain effective for a period of **[3] 6** years and, at the end of June 30,
16 **[2025] 2028**, this Act, with no further action required by the General Assembly, shall be
17 abrogated and of no further force and effect.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
19 1, 2025.