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March 5, 2020

To: The Honorable Delores G. Kelley  
Chair, Finance Committee

From: Patricia F. O'Connor, Health Education and Advocacy Unit

Re: Senate Bill 875 (Hospitals – Financial Assistance Policies and Bill Collections): Support with Amendments

The Office of the Attorney General's Health Education and Advocacy Unit (HEAU) supports Senate Bill 875 with amendments because the bill would provide more consumers access to the financial assistance hospitals are required to provide to eligible individuals, prohibit time limits on consumer financial assistance applications, improve notice, increase communication about the availability of financial assistance, establish a complaint process, offer remedies to consumers for noncompliance, and increase reporting and hospital accountability.

The need for each category of increased consumer protections was highlighted in the report, Taking Neighbors To Court: Johns Hopkins Hospital Medical Debt Lawsuits, <https://act.nationalnursesunited.org/page/-/files/graphics/Johns-Hopkins-Medical-Debt-report.pdf>.

For example, this bill prohibits a hospital from imposing a time limit on a patient to submit an application or evidence of eligibility for free or reduced-cost care. Based on complaints to the HEAU, we believe medical debt is different from other debt because of the temporary or chronic reduction in income and increase in medical spending that consumers frequently experience post-discharge, resulting in financial crisis. An individual who does not qualify for free or reduced-care at the time of discharge may become eligible 6 months, 1 year or 2 years later but be time-

barred from financial assistance under current policies, which we believe is unfair and unjustifiable.<sup>1</sup>

Additionally, the HEAU often hears from consumers that they were unaware that they could qualify for free or reduced cost care, and often do not inquire about the financial assistance they are entitled to. This bill increases the notice given to patients and buttresses the presumptive eligibility evaluation process.

Just as important, the bill requires accountability to the Commission on the application of the financial assistance policies, which appears necessary given the concerns addressed in the National Nurses United Report.

Because most patients are unaware of where to go with medical billing complaints, or complaints about lack of financial assistance or hospital billing collection practices, the HEAU supports the bill's requirement that the Commission establish a complaint filing process. The HEAU respectfully suggests that any such process include joint filing with the HEAU, the agency established by this body to assist consumers with medical billing disputes, particularly because of the bill's protective provisions about how patient bills should be handled.

The HEAU supports this important consumer protection measure, and in that spirit offers the attached amendments.

We ask the committee for a favorable report on the bill.

cc: Members of the Finance Committee

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<sup>1</sup> One patient's experience with this cycle is described on page 13 in Taking Neighbors To Court: Johns Hopkins Hospital Medical Debt Lawsuits, <https://act.nationalnursesunited.org/page/-/files/graphics/Johns-Hopkins-Medical-Debt-report.pdf> : "Eric Simmons went to Johns Hopkins Hospital in 2013 for an ankle injury that ultimately caused him to lose his job at a bakery. Eric later got a more difficult job at Amazon. In 2014, Eric was sued for \$524 for his hospital visit and had his Amazon wages garnished by Johns Hopkins Hospital for his medical debt." He said he was not offered financial assistance or information about financial assistance.