



Maryland Consumer Rights Coalition

**Testimony to the Senate Finance Committee  
SB875: Hospitals-Financial Assistance Policies & Bill Collection  
Position: Favorable**

March 5, 2020

Sen. Delores Kelley, Chair  
Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, Maryland 21401  
Cc: Members, Senate Finance Committee

Honorable Chair Kelley and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We're here today in strong support of SB 875 and we thank Sen. Feldman for sponsoring this bill.

Nationally, healthcare is a growing concern for many Americans. A 2019 report found that about 7 million more adults are without health insurance since the number started rising in 2016<sup>1</sup>. Nearly 1 in 6 Americans were contacted by a debt collector in the past year over a health care bill<sup>2</sup>.

Hospital care specifically is a major driver of healthcare costs and medical debt in Maryland. An average hospital stay lasts four days and costs, on average, \$14,200. In fact, hospital care makes up 37% of health care services in Maryland, the highest percentage of all health care costs.<sup>3</sup>

Recognizing the burden of medical debt, the General Assembly has passed innovative legislation to create free or reduced cost-care for low-income households. Despite the clear legislative intent of the General Assembly to have nonprofit hospitals provide this free or reduced care to indigent families through the rate-setting system, more reforms to the current system are needed.

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<sup>1</sup> "GoFundMe CEO: One-Third of Site's Donations are to Cover Medical Costs" Time magazine, Jan. 30, 2019.

<sup>2</sup> [NCLC, Don't Add Insult to Injury, November 2019](#)

<sup>3</sup> [MHCC, Health Care Costs in Maryland](#)



Maryland currently allows hospitals to set their own policies for providing charity care and some leeway in the threshold for free care eligibility. Meanwhile, many other states have passed legislation clearly outlining standards for free and reduced-cost medical care for hospitals of any kind. States like Rhode Island, New Jersey, Maine, New York, Connecticut, California, and Nevada have strict financial assistance regulations for low-income consumers. These policies are specific and inclusive, mandating the provision of charity care by all or most hospitals.<sup>4</sup> These states have also set standards for promotion and education, as well as the processes and documentation required to apply for and receive charity care.

Charity care provided by Maryland hospitals has plummeted by 36%, or \$168 million, from 2009 to 2018. Many patients who have been sued by hospitals were unaware of the availability of financial assistance programs while other patients applications were rejected because the required forms and documentation were unduly burdensome and acted as a barrier to entry for many eligible patients.

The passage of SB 875 would bring Maryland up to the level of the numerous other states that are doing a better job of protecting their residents from medical debt. The legislation will expand access to financial assistance for indigent households, simplify eligibility and documentation requirements, and expand notice requirements to increase awareness of the programs.

By supporting SB 875 and expanding awareness of and access to free and reduced-cost medical care, thousands of Marylanders will be able to avoid accumulating poverty-inducing medical debts.

For all these reasons, we support SB 875 and urge a favorable report.

Best,

Marceline White  
Executive Director

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<sup>4</sup> [NCLC, An Ounce of Prevention: A Review of Hospital Financial Assistance Policies in the States](#)