



Maryland
Hospital Association

Senate Bill 875- Hospitals - Financial Assistance Policies and Bill Collections

Position: *Support with Amendments*

March 5, 2020

Senate Finance Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) 61-member hospitals and health systems, we appreciate the opportunity to comment on Senate Bill 875. Hospitals believe every person should receive the care they need without financial worry. Making every effort to inform patients of their ability to receive financial assistance including free or reduced cost care, hospitals work to help patients enroll in Medicaid or other insurance options, and work with patients to set up reasonable reimbursement options when needed.

With the changing insurance market, individuals are bearing greater financial burdens due to increased out-of-pocket expenses and higher deductibles. As a result, it is imperative to find solutions that provide relief for patients while maintaining a robust healthcare system. MHA has been working with its members to identify ways to improve policies and practices for financial assistance and debt collection that allow hospitals to continue to with regulations as mentioned above.

Hospitals' financial assistance and billing collections practices are already governed by extensive state and federal laws. Federal law addresses nearly every aspect of the financial aid and the billing process. Established by the Patient Protection and Affordable Care Act (the ACA) and requirements codified under Section 501(r) of the Internal Revenue Code (IRC)ⁱ, these laws set forth thresholds for free and reduced-cost care; define notice requirements for financial assistance and collections; create application period timelines; and outline actions hospitals may take to pursue outstanding bills. The federal regulations were finalized after a robust, three-year rulemaking process with extensive stakeholder input.

For example, while many state and federal coverage programs require verification of citizenship or immigration status to assess eligibility, these are wholly distinct from hospitals' financial assistance policies. MHA engaged hospital leaders from across the field to reach complete agreement—the field will not use immigration or legal residency status as an eligibility factor to award financial assistance. At the same time, hospitals continue to work to connect patients to public programs such as Medicaid.

Hospitals use a variety of outreach strategies to communicate and work with patients to enroll them in financial assistance. For example, one hospital hosted a series of financial assistance and insurance enrollment community sessions at a local community center. Hospitals hire application counselors and coordinate with the Maryland Health Benefit Exchange to assist with enrollment into Medicaid and other insurance products. Some members have financial navigators who go out in the community to meet patients in their preferred location, including their homes, to complete financial assistance applications. Still, selecting health insurance coverage is a complicated decision, particularly when a patient is in the hospital, and patients are at times rightfully weary to share personal information via post-discharge phone calls or

written communication. We must therefore be thoughtful about these potential barriers and take patient preference into consideration.

These are complex and inter-related issues that require a thoughtful approach to support comprehensive reform that avoids unintended consequences for our state's residents and health care system. The hospital field recognizes that there are opportunities to improve our process. Hospitals are committed to working thoughtfully to advance that aim.

MHA is requesting a comprehensive, consumer-focused approach that includes bringing in key stakeholders—state agencies, hospitals, consumer representatives, insurance carriers and others—to find the right solutions. We acknowledge that some of the provisions within the bill are reasonable, where other sections need careful consideration. For these reasons, we respectfully ask the committee to allow MHA to continue to work with the sponsor on key provisions of the bill.

For more information, please contact:
Maansi Raswant
Mraswant@mhaonline.org

ⁱ <https://www.irs.gov/charities-non-profits/financial-assistance-policies-faps>