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SB 875 – Hospitals – Financial Assistance Policies and Bill Collections
Senate Finance Committee
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SUPPORT

Donna S. Edwards
President
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Madam Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 875 – Hospitals – Financial Assistance Policies and Bill Collections. My name is Donna S. Edwards and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of the 340,000 union members I offer the following comments.

Americans are drowning in medical debt. As of 2014, 43 million Americans had overdue medical debt on their credit reports, with a 52% of all overdue debt being due to medical reasons¹. For poor people, this rate is even higher and so are the stakes. Wage garnishment, liens against their houses, and lawsuits are untenable by those who cannot afford to pay their bills.

SB 875 provides much need relief for the poorest in Maryland, by requiring each hospital to have a financial assistance policy (FAP) that patients who are below 200% of the Federal Poverty Level receive free care, and that those between 200% and 500% receive discounted care. Additionally, it requires that, prior to being discharged, patients are informed of the FAP and are screened for eligibility, with some being presumptively eligible based on their current economic situation. Oftentimes, patients who are eligible for financial assistance are never aware of it, and they end up incurring insurmountable debt. These measures will ensure that we cast a wide net to help those who need it the most.

Reporting is incredibly important for any program, and SB 875 requires hospitals to submit detailed annual reports to the Health Services Cost Review Commission (HSCRC) that include: the hospital's FAP, total number of patients who applied for financial assistance, total number of patients who received free or reduced-cost care, and total costs by the hospital. This level of

¹ CFPB - CFPB - https://files.consumerfinance.gov/f/201412_cfpb_reports_consumer-credit-medical-and-non-medical-collections.pdf

reporting is necessary for policymakers to make decisions in the future on how best to tackle the problem of medical debt for low income Marylanders.

Last, but not least, SB 875 provides for a private right of action for patients who have been denied financial assistance when they should have been eligible and allows for the plaintiffs to also recoup any costs for doing so, including seeking punitive damages.

Poor people need to know that they can seek medical care and that financial assistance is available for them. They need to know there are options that exist that won't force them to choose between their health and feeding their family.

We ask for a favorable report on SB 875.