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February 28, 2020

The Honorable Shane E. Pendergrass, Chair
House Health and Government Operations Committee
Room 241, House Office Building
Annapolis, MD 21401

Dear Chair Pendergrass and Committee Members:

The Health Services Cost Review Commission (HSCRC) submits this letter of information with amendments for House Bill 1420 (HB 1420) titled, "Hospital Facilities – Hospitals – Medical Debt Protection". HB 1420 requires hospitals to follow certain procedures when evaluating patients for financial assistance eligibility.

HSCRC respectfully asks the Committee to adopt the following amendments, which were developed in consultation with the Maryland Medical Assistance Program. They align the bill's language with language in the Health General Article and in COMAR, and ensure consumers and legislators obtain the most accurate information on hospital policies and resources given limitations on HSCRC capacity.

If you have any further questions, please feel free to contact me at tequila.terry1@maryland.gov.

Sincerely,

A handwritten signature in black ink that reads 'Tequila Terry' in a cursive script.

Tequila Terry
Deputy Director

AMENDMENTS TO HOUSE BILL 1420
(First Reader File Bill)

AMENDMENT NO. 1

On page 2, in line 32, strike “150%” and substitute “200%”.

RATIONALE: This number should align with that in line 30 of this page, as free care is required above the threshold and reduce-cost care is required above the threshold. Overlap in the thresholds would result in confusion as to which type of care hospitals should provide.

AMENDMENT NO. 2

On page 4, in line 14, after “WHO” insert “IS NOT OTHERWISE ELIGIBLE FOR MEDICAID OR CHIP AND”.

RATIONALE: This aligns with current language in COMAR, which ensures that patients enrolled in the Maryland Medical Assistance Program (Medicaid) and the Maryland’s Children Health Insurance Program (CHIP) are not presumptively eligible for reduced-cost care, as Medicaid should be covering the entire cost of their services. Excluding Medicaid patients from this section would also prevent Uncompensated Care from increasing unnecessarily.

AMENDMENT NO. 3

On page 4, strike beginning with “RECEIVES” in line 21 down through “BENEFITS” in line 22.

RATIONALE: This program no longer exists, as it ended after the Affordable Care Act was implemented in Maryland.

AMENDMENT NO. 4

On page 11, strike beginning with “THE” in line 11 down through “BILL” in line 14.

RATIONALE: As a hospital regulatory agency, the HSCRC has legal authority to set hospital rates and ensure hospital compliance with Maryland Statute and Regulations so that Marylanders have access to high quality, low cost healthcare. The HSCRC does not, however, monitor individual hospital interactions with patients on a regular basis, as it does not have expertise in the consumer advocacy field. While HSCRC agrees with the spirit of this section, as hospital regulators, HSCRC staffers are not equipped to handle complaints with medical creditors and outside collection agencies. If this amendment is not included, the HSCRC would need to hire an additional permanent staff member to conduct the activities in the current language (see fiscal note).

AMENDMENT NO. 5

On page 13, in line 6, after “(a)” insert “TO THE EXTENT PRACTICABLE,”.

On page 13, in line 6, strike “model” and substitute “EVALUATE”.

On page 13, in line 7, strike “modeled” and substitute “EVALUATED”.

RATIONALE: HSCRC is invested in providing the Governor and General Assembly an accurate and reliable evaluation of potential changes to financial assistance policies. HSCRC believes the evaluation proposed in this legislation can help legislators make informed decisions about financial assistance requirements in Statute and potentially improve access to healthcare. However, after consulting with the Comptroller and the State-designated Health Information Exchange, CRISP, the HSCRC believes the scope of the evaluation should be modified so as to ensure that HSCRC’s work is possible given the available consumer data. This amendment modifies the scope of HSCRC’s work, with the aim of improving the accuracy of the information provided by the evaluation to legislators.

AMENDMENT NO. 6

On page 13, in line 17, strike “minimum free care policy” and substitute “MAXIMUM FREE CARE THRESHOLD AND MINIMUM REDUCED-COST CARE THRESHOLD”.

On page 13, strike beginning with “increasing” in line 21 through “450%,” in line 24.

RATIONALE: As stated in the rationale for Amendment 1, the thresholds for free and reduced-cost care should align, as free care is provided under that threshold and reduced-cost care is provided above that threshold.

AMENDMENT NO. 7

On page 13, in line 15, after “(b)” insert “TO THE EXTENT PRACTICABLE,”.

On page 13, in line 15, strike “model” and substitute “EVALUATE”.

On pages 13 and 14, strike beginning with “increasing” in line 24 on page 13 down through “program.” in line 3 on page 15 and substitute:

“(3) INCREASING THE REDUCED-COST CARE WITH A FINANCIAL HARDSHIP THRESHOLD;
(4) REDUCING THE MEDICAL DEBT AS A PERCENTAGE OF FAMILY INCOME THRESHOLD;
AND”.

RATIONALE: As stated in the rationale for Amendment 5, these changes reflect HSCRC’s

evaluating capacity given data limitations to ensure that the report given to the Governor and the General Assembly is as accurate as possible.

AMENDMENT NO. 8

On page 14, in line 11, after “who” insert “**ARE NOT OTHERWISE ELIGIBLE FOR MEDICAID OR CHIP AND**”.

On page 14, strike beginning with “receive” in line 16 down through “Act” in line 19.

On page 14, strike beginning with “receive” in line 23 down through “Program;” in line 24.

RATIONALE: As explained in the rationale for Amendment 2, Medicaid and CHIP should cover the full cost of services. Patients enrolled in those programs should therefore not be included in presumptive eligibility requirements for hospitals.