



**HB 1420- Hospitals - Financial Assistance Policies and Bill Collections**  
**Health and Government Operations Committee**  
**February 28th, 2020**  
**SUPPORT**

Chairwomen Pendergrass, Vice-Chair and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 1420. This bill will ensure that low income individuals are not burdened by the cost of receiving medical care.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy.

The National Consumer Law Center reports that 17% of debt in collections in Maryland is the result of medical debt<sup>1</sup>. This means that people are plunged further into financial instability for seeking medical attention. Some low income people will delay seeking out medical assistance which leads to greater medical and financial issues in the future. Maryland has taken steps to address this problem. Currently, there are steps that hospitals can employ to lessen the burden of the cost of hospital services. The Community Health Care Access and Safety Net Act of 2005 was passed by the General Assembly to require hospitals to develop financial assistance policies, to provide free and reduced-cost care to specified patients<sup>2</sup>. This policy allows for each hospital to vary the thresholds that they set, which leads to inconsistent policies throughout the state. HB 1420 will allow for transparent and widespread medical financial assistance to be applied throughout the state in a consistent manner.

When an individual's debts are in collections, they face a variety of challenges that can drastically affect their quality of life. Wage garnishment and suspension of driver's license and vehicle registration put people into a cycle of debt that leads to bankruptcy, homelessness, and have devastating financial impact that can take years to overcome.

HB 1420 will address this issue by:

- Increasing the threshold to be eligible for free care from 150% of the federal poverty guidelines to 300% of the federal poverty guidelines
- Increasing the threshold for reduced cost care from 500% of the federal poverty guidelines to 600% of the federal poverty guidelines
- Simplifying the process for documenting eligibility for free or reduced-cost care
- Expanding posting and notice of availability of free or reduced-cost care. Prohibit questions about or verification of citizenship to access free or reduced -cost care.

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<sup>1</sup> [https://www.nclc.org/images/pdf/debt\\_collection/fact-sheets/Maryland.pdf](https://www.nclc.org/images/pdf/debt_collection/fact-sheets/Maryland.pdf)

<sup>2</sup> HB 627; 2005 Session



**For these reasons, we encourage you**

**to report favorable on HB 1420.**