



**Olivia Bartlett, DoTheMostGood Maryland Team**

**Committee:** Health and Government Operations Committee

**Testimony on:** HB565 – Health Facilities – Hospitals – Medical Debt Protection

**Position:** Favorable

**Hearing Date:** February 16, 2021

**Bill Contact:** Representative Lorig Charkoudian

DoTheMostGood (DTMG) is a progressive grass-roots organization with more than 2500 members who live in a wide range of communities in Montgomery and Frederick Counties, from Bethesda near the DC line north to Frederick and from Poolesville east to Silver Spring and Olney. DTMG supports legislation and activities that keep its members healthy and safe in a clean environment and which promote equity across all of our diverse communities. Providing efficient, cost effective health care to all Marylanders and assuring fair access to healthcare for underserved communities and the poor is a priority for DTMG. DTMG strongly supports HB565 because hospitals in Maryland should not be suing their patients.

Medical debt is a major problem for Marylanders, especially those from low-income households and communities of color. Fifteen percent of Maryland residents report having medical debt, while 21% of those in communities of color report owing medical debts. Recognizing the high cost of hospital care, the state of Maryland already provides financial support to hospitals through the rate setting system to ensure hospitals provide free and low-cost care to patients who qualify. Despite this mandate, Maryland hospitals sue patients, including many who qualified for but didn't receive free care. Between 2009 and 2018, Maryland hospitals filed 145,746 lawsuits against former patients. In 37,370 cases patients had their wages garnished and their bank account wiped out or a lien put on their home or car. In 3,278 cases, the hospital debt drove the patient to declare bankruptcy. The median debt owed is \$944.

HB565 will, among other things, prohibit hospitals from placing a lien on a patient's home or car, prohibit hospitals from pursuing wage or bank garnishment to collect medical debt if a patient is uninsured, require hospitals to offer monthly payment plans to patients, limit monthly payments to 5% of gross monthly income, and cap interest rates at 1.5% per year. HB565 will also prohibit hospitals from filing lawsuits to collect on low-value debts of \$1,000 or less. Hospitals will also be required to report specific medical debt information to the Health Services Cost Review Commission on an annual basis, and the Commission must then make the reports public.

Maryland is behind many other states in providing these protections to residents. It is time to eliminate predatory medical debt collection practices by hospitals.

Therefore, DTMG strongly supports HB0565 and urges a **FAVORABLE** report on this bill.

Respectfully submitted,

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