

# **HB694 MVLS Testimony Favorable.pdf**

Uploaded by: Amy Hennen

Position: FAV



**EXPANDING ACCESS TO JUSTICE FOR 40 YEARS**

MARYLAND SENATE FINANCE COMMITTEE  
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE  
IN SUPPORT OF HB0694: HOSPITALS—FINANCIAL ASSISTANCE – MEDICAL  
BILL REIMBURSEMENT  
WEDNESDAY, MARCH 30, 2022

Susan Francis  
*EXECUTIVE DIRECTOR*

**BOARD OF DIRECTORS**

Anthony P. Ashton  
*PRESIDENT*

Alexandria K. Montanio  
*VICE PRESIDENT*

David G. Sommer  
*TREASURER*

Penny J. Minna  
*SECRETARY*

Tyree Ayres  
Shereefat O. Balogun  
Matthew M. Bryant  
Jhonell Campbell  
Richard L. Costella  
Brian Gordon  
La'Tika Howard  
Dr. Ann Irvine  
Robin Leone  
Reba Letsa  
Michael March  
Amy M. McClain  
Dana W. McKee  
Charles J. Morton, Jr.  
Derek P. Roussillon  
Marc E. Shach  
Dennis J. Shaffer  
James Tansey

Chair Kelly and distinguished members of the Committee, thank you for the opportunity to testify in support to House Bill 694.

My name is Amy Hennen, and I am the Director of Advocacy and Financial Stabilization at the Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. Since MVLS' founding in 1981, our statewide panel of over 1,700 volunteers, has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters. In FY21, MVLS volunteers and staff lawyers provided legal services to 3,353 people across the state. Approximately 30% of our cases focus on consumer issues like foreclosure, tax sale, bankruptcy, and debt collection. For the reasons explained below, we respectfully request a favorable report on House Bill 694.

Medical debt is different from many other types of consumer debt -- people do not plan to get sick or get hurt. Medical bills often end in collections because of insurance or billing disputes. The consumer too often becomes responsible for medical debt because the hospital and insurer simply cannot resolve their disputes. Even when billing errors are corrected, the lengthy delays result in medical bills being sent to collections. Our clients tell us they never heard about financial assistance and did not know the hospital offered it. The negative impact of medical debts on credit reports often creates additional hardships, including difficulty securing affordable credit, insurance, housing, and even employment.

MVLS assists Marylanders facing debt in several ways, including a courthouse clinic in Baltimore City as well as defending debt collection actions and representing Marylanders filing for bankruptcy throughout the state. In 2021, out of the 189 cases opened for bankruptcy, 30 percent of our clients stated that medical debt was a significant factor in filing bankruptcy. Based on our income guidelines, if a client qualifies to receive representation from MVLS, they should have received financial assistance or "charity care" from the hospital where they sought care.

Anne is a client that sought help from MVLS to resolve her numerous hospital bills. Her only income is from social security and protected from

garnishment. Anne's financial status would have made her a prime participant for the hospital's financial assistance programs especially since she is dealing with a permanent ongoing illness. However, she never knew that financial assistance was available because the hospital never informed her of it. Her hospital bills were sent to collections and in the attempt to pay her overdue hospital bills, she fell behind on her other bills.

Another client that sought help from MVLS is Belinda who has stage 4 breast cancer. With her ongoing medical treatments and low source of income, Belinda became the subject of harassment from creditors. Many of the calls came from medical debt collectors, and Belinda began using credit cards to pay her hospital bills which resulted in \$40,000 worth of debt. Most importantly, the medical provider did not inform Belinda that she was potentially eligible for financial assistance.

Nearly everyone we meet at our courthouse clinic who is being sued for medical debt is like Anne and Belinda and would qualify for financial assistance. From the data collected, the average consumer seen at these clinics is an African American woman earning less than half the Maryland median income. She is in her early 40s, does not have a college degree, and she is caring for at least one child or parent at home. She would be eligible for financial assistance.

Sadly, most individuals being sued for debt collection don't receive the type of legal assistance we provide at our courthouse clinic. Statistically people who do not dispute a bill or show up to the courthouse make up more than 80% of people sued in the state. That means they do not have the opportunity to contest the bill or the charges. This then means that the first interaction they have with the lawsuit is via a wage garnishment or bank attachment, taking 25% of their wages and possibly 100% of the contents of their bank account. Wage garnishments keep people in a cycle of poverty. They can easily mean someone cannot cover their rent payments, leading to eviction, and homelessness. This cycle creates a greater strain on state resources.

Reviewing patients for medical financial assistance prior to sending them to collections is necessary. Patients who paid or were garnished by hospitals deserve to be repaid. My clients often choose to forego necessities like food to pay their medical debts. People should not have to decide between basic healthcare access and basic necessities.

Madam Chair and members of the Committee, thank you again for the opportunity to testify.

**HB 694\_PJC\_Favorable FIN.pdf**

Uploaded by: Ashley Black

Position: FAV



Ashley Black, Staff Attorney  
Public Justice Center  
201 North Charles Street, Suite 1200  
Baltimore, Maryland 21201  
410-625-9409, ext. 224  
[blacka@publicjustice.org](mailto:blacka@publicjustice.org)

---

## HB 694

### Hospitals – Financial Assistance – Medical Bill Reimbursement

#### Hearing of the Senate Finance Committee

March 30, 2022

1:00 PM

## SUPPORT

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Health Rights Project supports policies and practices that promote the overall health of Marylanders struggling to make ends meet, with the explicit goal of eliminating racial and ethnic disparities in health outcomes. **PJC stands in strong support of HB 694**, which would require the Health Services Cost Review Commission (HSCRC), in coordination with the Department of Human Services (DHS), the State designated exchange, the Office of the Comptroller, and the Maryland Hospital Association (MHA), to develop a process for identifying patients who paid for hospital services but may have qualified for free care and for reimbursing the identified patients.

For low-income patients, medical debt collection threatens financial security by taking money that enters the household away from paying for basic family needs, including food, medication, childcare and housing. As a result, low-income patients who cannot afford costs associated with hospital care may be deterred from seeking necessary or time-sensitive care. Medical debt can also harm the overall health of patients and their families by placing an emotional and physical burden on them. Additionally, there are racial and gender disparities in medical debt collection as most lawsuits by hospitals are filed against Black and female patients.

In 2021, when this committee was considering HB 595 - Medical Debt Protection Act, HSCRC released a study reporting that **not only were 60% of people who should have receive free care reported as bad debt and pursued for collection by hospitals, but hospitals also collected roughly \$60 million in 2017 and then again in 2018 from patients who were eligible for free care and thus, should not have been charged.**<sup>1</sup> While PJC thanks the Senate Finance Committee for passing HB 595, which now has the strongest protections of any medical debt

---

<sup>1</sup> Maryland Health Services Cost Review Commission, *Analysis of the Impact of Hospital Financial Assistance Policy Options on Uncompensated Care & Costs to Payers* (2021),

<https://static1.squarespace.com/static/5b05bed59772ae16550f90de/t/6045840486f11518b48230a5/1615168518742/HSCRC+1420+report.pdf>.

law in the country and serves as a model for other states, Maryland urgently needs HB 694 to address the issue of hospitals wrongfully billing patients.

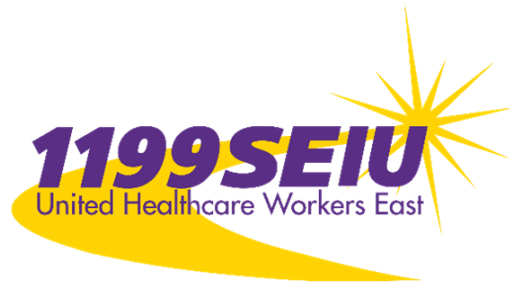
**HB 694 simply seeks to restore low-income hospital patients to where they were before they were wrongfully billed.** State agencies would work collaboratively with MHA to identify patients who were qualified for free care but paid their hospital bill between 2017-21. Collaboration between these agencies is key to ensuring that as many patients as possible who overpaid are identified so that hospitals may refund them. In accordance with HIPAA, HB 694 prioritizes and protects the privacy of patients by also establishing a process to safely refund patients who use an alternate address. If passed, HB 694 would hold hospitals accountable for meeting their obligation to provide free care to eligible Marylanders.

For these reasons, the Public Justice Center urges the committee to issue a **FAVORABLE** report for **HB 694**. If you have any questions about this testimony, please contact Ashley Black at 410-625-9409 x 224 or [blacka@publicjustice.org](mailto:blacka@publicjustice.org).

# **RicarraHB694MedDebtTestimony.pdf**

Uploaded by: Christopher Stevenson

Position: FAV



**Testimony on HB 694**  
Hospitals - Financial Assistance - Medical Bill Reimbursement  
Position: **FAVORABLE**

My name is Ricarra Jones, and I am the Political Director with 1199SEIU United Healthcare Workers East, Maryland/DC. We are the largest healthcare workers union in the United States, representing over 10,000 members who work in hospitals and Long-Term Care facilities across our region. 1199SEIU is also a founding coalition member of End Medical Debt Maryland. Our union supports HB 694 and recommends the Committee issue a **favorable** report.

HB 694 responds to a report by the Health Services Cost Review Commission that was released during the 2021 legislative session, which used a statistical analysis to uncover that Maryland hospitals collected approximately \$60 million per year from patients who should have received free medical care in 2017 and 2018. 1199SEIU finds the report's findings to be *outrageous*. It is unconscionable that non-profit hospitals -- who receive millions of dollars a year from the State to provide free healthcare to those who otherwise couldn't afford it -- are taking money out of the pockets of Maryland's poorest residents.

Healthcare workers know that the biggest barrier to receiving health care is whether or not that care is affordable for the patient. Far too many Maryland patients delay seeking health care because they know they can't afford it and cannot risk going into medical debt. 1199 members have long warned about the consequences of delaying preventative health care. Not receiving preventative care or addressing minor health care issues causes patients health to deteriorate long term, and the more severe a patient's condition is, the higher their medical bill ultimately will be. Patients should be able to focus on healing, not worrying about medical bills they can't afford.

When passed, HB 694 will put hard-earned cash back in the hands of low-income Marylanders who were robbed by the very hospitals that were supposed to care for them. 1199SEIU respectfully urges this committee to demonstrate its commitment to Maryland patients by issuing a **favorable report with NO weakening amendments** on HB 694.

Sincerely,  
Ricarra Jones  
ricarra.jones@1199.org



**Shantelle Z HB 694 (2).pdf**

Uploaded by: Christopher Stevenson

Position: FAV



### **Testimony on HB 694**

Hospitals - Financial Assistance - Medical Bill Reimbursement

Position: **FAVORABLE**

To Chair Kelley and Members of the Senate Finance Committee,

My name is Shantelle Zeigler. I'm a Geriatric Nursing Assistant, Certified Nursing Assistant, and a Patient Care Technician at a Long-Term Care facility in Baltimore and a member of 1199SEIU United Healthcare Workers East. I support HB694 to give medical bill reimbursements to hospital patients who were supposed to receive free health care. Please vote **yes** on this legislation.

As a healthcare worker, every day I work hard to care for my patients, especially during COVID19. Even though my coworkers and I are making so many sacrifices working through the pandemic and the short staffing crisis in Long-Term Care, our employer provided health insurance is minimal. That means that many of my coworkers and I are being forced to make an impossible choice to either go into medical debt to receive the healthcare we need, or don't receive healthcare and have our health conditions get worse. No one should ever have to choose between their health and their ability to afford basic necessities without going into medical debt.

I have diabetes, but my insurance does not cover the cost of my medication, and I can't afford to pay for it out of pocket. Because of this, I have not been able to take my diabetes medication in four months. Leaving my illness untreated is making my health worse, and will end up costing me more money later. I've been on the phone with my

insurance company over 10 times pleading with them to cover my medication, but they don't care. I'm not able to focus on my health when I have to spend what little free time I have arguing with the insurance company.

I was outraged when I learned that non-profit hospitals in Maryland are legally required to provide free health care to low-income patients but are charging those patients anyway. Hospitals are supposed to tell patients they qualify for free or reduced cost care, not make the patient figure that out on their own, especially after they were already billed. I know how draining it was for me to have to spend so much time on the phone with my insurance company, so I can easily imagine hospital patients trying to figure out if they can get free healthcare while they are trying to heal is also a burden.

This legislation to make hospitals pay back patients will create more accountability from hospitals because if hospitals are required to pay patients back, they will be more incentivized to fix their systemic overbilling of free care patients. I urge the committee to issue a **favorable** report on HB694 with **no weakening amendments**.

Sincerely,

Shantelle Zeigler  
1199SEIU, Member  
Baltimore City Resident

# **X HB 694 - Hospitals - Financial Assistance - Medi**

Uploaded by: Donna Edwards

Position: FAV



# MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Office. (410) 269-1940 • Fax (410) 280-2956

*President*

Donna S. Edwards

*Secretary-Treasurer*

Gerald W. Jackson

**HB 694 – Hospitals – Financial Assistance – Medical Bill Reimbursement**  
**Senate Finance Committee**  
**March 30, 2022**

**SUPPORT**

**Donna S. Edwards**  
**President**  
**Maryland State and DC AFL-CIO**

Madam Chair and members of the Committee, thank you for the opportunity to submit testimony in support of HB 694 – Hospitals – Financial Assistance – Medical Bill Reimbursement. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 340,000 union members, I offer the following comments.

Working Marylanders often must choose between medical care and feeding their families. During medical emergencies, no such choice exists, and for the uninsured and underinsured this can lead to medical debt that can be prohibitively expensive to pay off in a timely fashion. For this reason, Maryland hospitals are required to provide free or low-cost medical care to those who qualify for it. Hospitals are not asked to do this out of the kindness of their hearts, nor do they have to shoulder the cost of free and reduced care. Hospitals are subsidized by the taxpayers to help those less fortunate receive care without facing eviction, food insecurity, or bankruptcy.

It is shocking that the December 14, 2020 report from the Health Services Cost Review Commission (HSCRC) reveals that Maryland hospitals collected millions from patients who were eligible and entitled to free medical care in the period of 2017-2018. This does not even account for the sums that were sent by the hospitals to collection agencies, or the amounts named in lawsuits against patients. Our hospitals are clearly failing in their legal obligation to these patients, the taxpayers, and the State of Maryland.

HB 694 responds to this egregious billing of low-income patients by identifying patients who were eligible for free or low-cost care – but who were charged by hospitals for care – notifying them of the amount they were over charged and reimbursing them for that amount.

HB 694 is expansive in its protections for working Marylanders, but in no way is it hard for hospitals to implement. Maryland's "not-for-profit" hospitals recorded \$5.6 billion in profits over the ten-year period from 2009 to 2018, while demanding payment of nearly \$269 million in medical debt from patients. Through generous State and Local tax exemptions, hospitals are thriving businesses, paid once by the patients and secondly by Maryland taxpayers. It is time to take care of struggling free care eligible Marylanders, by refunding them for medical expenses that they should have never incurred, and that hospitals had no legal authority to ask of them.

**For freedom and equity, we ask for a favorable report on HB 694.**

**testimony2022hb694Senateltr.pdf**

Uploaded by: Franz Schneiderman

Position: FAV



## Auto Consumer Alliance

13900 Laurel Lakes Avenue, Suite 100  
Laurel, MD 20707

---

**Testimony to the Senate Finance Committee  
HB 694 – Hospitals – Financial Assistance – Medical Bill Reimbursement  
Position: Favorable**

The Honorable Delores G. Kelley  
Senate Finance Committee  
3 East, Miller Senate Building  
Annapolis, MD 21401  
cc: Members, Senate Finance Committee

March 30, 2022

**Honorable Chair Kelley and Members of the Committee:**

I'm a consumer advocate and Executive Director of Consumer Auto, a nonprofit group that works for safety, transparency, and fair treatment for Maryland drivers and car buyers.

We support **HB 694** because it would give lower-income consumers who should have qualified for free hospital care from 2017 through 2021 fair reimbursement for burdensome medical bills that they really should never have been issued.

As someone who has worked in consumer advocacy in Maryland for the last decade, I am well aware of the huge burden the high cost of medical care often puts on low- and middle-income families. Sadly, as is well known, an unexpected serious illness or emergency surgery can often cause financial ruin or bankruptcy even for a middle-income family or individual who has reasonably good medical insurance.

I was very pleased to see the legislature pass landmark legislation last year that will prevent hospitals from putting liens on homes or garnishing the wages of those who qualify for free or lower-cost health care as a result of medical bills and take other steps to protect families against medical debt. But troubled to learn from the Health Services Cost Review Commission's Feb. 2021 report that hospitals had charged improperly charged lower-income consumers an estimated \$60 million/year in both 2017 and 2018 for care they should have received for free.

Since medical bills and the rules about who qualifies for free or reduced-cost care are complex and little understood by many consumers, most of those stuck with such bills are surely unaware that they were improperly charged. **HB 694** will make sure those lower-income individuals and families who should have qualified for free care from 2017 to 2021 will get the reimbursements they need and deserve. With many of these families now living paycheck-to-paycheck and struggling to meet rising costs, those refunds will no doubt help many families keep the lights on, keep food in their cupboards, and gain a little bit of economic security.

Our laws make lower-income people eligible for free care because we know the high cost of care is unsustainable for many families. This bill will help thousands recover from such costs.

**We support HB 694 and ask you to give it a FAVORABLE report.**

Sincerely,  
Franz Schneiderman  
Consumer Auto



**testimony2022hb694Senateltr.pdf**

Uploaded by: Franz Schneiderman

Position: FAV



## Auto Consumer Alliance

13900 Laurel Lakes Avenue, Suite 100  
Laurel, MD 20707

---

**Testimony to the Senate Finance Committee**  
**HB 694 – Hospitals – Financial Assistance – Medical Bill Reimbursement**  
**Position: Favorable**

The Honorable Delores G. Kelley  
Senate Finance Committee  
3 East, Miller Senate Building  
Annapolis, MD 21401  
cc: Members, Senate Finance Committee

March 30, 2022

**Honorable Chair Kelley and Members of the Committee:**

I'm a consumer advocate and Executive Director of Consumer Auto, a nonprofit group that works for safety, transparency, and fair treatment for Maryland drivers and car buyers.

We support **HB 694** because it would give lower-income consumers who should have qualified for free hospital care from 2017 through 2021 fair reimbursement for burdensome medical bills that they really should never have been issued.

As someone who has worked in consumer advocacy in Maryland for the last decade, I am well aware of the huge burden the high cost of medical care often puts on low- and middle-income families. Sadly, as is well known, an unexpected serious illness or emergency surgery can often cause financial ruin or bankruptcy even for a middle-income family or individual who has reasonably good medical insurance.

I was very pleased to see the legislature pass landmark legislation last year that will prevent hospitals from putting liens on homes or garnishing the wages of those who qualify for free or lower-cost health care as a result of medical bills and take other steps to protect families against medical debt. But troubled to learn from the Health Services Cost Review Commission's Feb. 2021 report that hospitals had charged improperly charged lower-income consumers an estimated \$60 million/year in both 2017 and 2018 for care they should have received for free.

Since medical bills and the rules about who qualifies for free or reduced-cost care are complex and little understood by many consumers, most of those stuck with such bills are surely unaware that they were improperly charged. **HB 694** will make sure those lower-income individuals and families who should have qualified for free care from 2017 to 2021 will get the reimbursements they need and deserve. With many of these families now living paycheck-to-paycheck and struggling to meet rising costs, those refunds will no doubt help many families keep the lights on, keep food in their cupboards, and gain a little bit of economic security.

Our laws make lower-income people eligible for free care because we know the high cost of care is unsustainable for many families. This bill will help thousands recover from such costs.

**We support HB 694 and ask you to give it a FAVORABLE report.**

Sincerely,  
Franz Schneiderman  
Consumer Auto

**testimony2022hb694Senateltr.pdf**

Uploaded by: Franz Schneiderman

Position: FAV



## Auto Consumer Alliance

13900 Laurel Lakes Avenue, Suite 100  
Laurel, MD 20707

---

**Testimony to the Senate Finance Committee**  
**HB 694 – Hospitals – Financial Assistance – Medical Bill Reimbursement**  
**Position: Favorable**

The Honorable Delores G. Kelley  
Senate Finance Committee  
3 East, Miller Senate Building  
Annapolis, MD 21401  
cc: Members, Senate Finance Committee

March 30, 2022

**Honorable Chair Kelley and Members of the Committee:**

I'm a consumer advocate and Executive Director of Consumer Auto, a nonprofit group that works for safety, transparency, and fair treatment for Maryland drivers and car buyers.

We support **HB 694** because it would give lower-income consumers who should have qualified for free hospital care from 2017 through 2021 fair reimbursement for burdensome medical bills that they really should never have been issued.

As someone who has worked in consumer advocacy in Maryland for the last decade, I am well aware of the huge burden the high cost of medical care often puts on low- and middle-income families. Sadly, as is well known, an unexpected serious illness or emergency surgery can often cause financial ruin or bankruptcy even for a middle-income family or individual who has reasonably good medical insurance.

I was very pleased to see the legislature pass landmark legislation last year that will prevent hospitals from putting liens on homes or garnishing the wages of those who qualify for free or lower-cost health care as a result of medical bills and take other steps to protect families against medical debt. But troubled to learn from the Health Services Cost Review Commission's Feb. 2021 report that hospitals had charged improperly charged lower-income consumers an estimated \$60 million/year in both 2017 and 2018 for care they should have received for free.

Since medical bills and the rules about who qualifies for free or reduced-cost care are complex and little understood by many consumers, most of those stuck with such bills are surely unaware that they were improperly charged. **HB 694** will make sure those lower-income individuals and families who should have qualified for free care from 2017 to 2021 will get the reimbursements they need and deserve. With many of these families now living paycheck-to-paycheck and struggling to meet rising costs, those refunds will no doubt help many families keep the lights on, keep food in their cupboards, and gain a little bit of economic security.

Our laws make lower-income people eligible for free care because we know the high cost of care is unsustainable for many families. This bill will help thousands recover from such costs.

**We support HB 694 and ask you to give it a FAVORABLE report.**

Sincerely,  
Franz Schneiderman  
Consumer Auto

**testimony2022hb694Senateltr.pdf**

Uploaded by: Franz Schneiderman

Position: FAV



## Auto Consumer Alliance

13900 Laurel Lakes Avenue, Suite 100  
Laurel, MD 20707

---

**Testimony to the Senate Finance Committee  
HB 694 – Hospitals – Financial Assistance – Medical Bill Reimbursement  
Position: Favorable**

The Honorable Delores G. Kelley  
Senate Finance Committee  
3 East, Miller Senate Building  
Annapolis, MD 21401  
cc: Members, Senate Finance Committee

March 30, 2022

**Honorable Chair Kelley and Members of the Committee:**

I'm a consumer advocate and Executive Director of Consumer Auto, a nonprofit group that works for safety, transparency, and fair treatment for Maryland drivers and car buyers.

We support **HB 694** because it would give lower-income consumers who should have qualified for free hospital care from 2017 through 2021 fair reimbursement for burdensome medical bills that they really should never have been issued.

As someone who has worked in consumer advocacy in Maryland for the last decade, I am well aware of the huge burden the high cost of medical care often puts on low- and middle-income families. Sadly, as is well known, an unexpected serious illness or emergency surgery can often cause financial ruin or bankruptcy even for a middle-income family or individual who has reasonably good medical insurance.

I was very pleased to see the legislature pass landmark legislation last year that will prevent hospitals from putting liens on homes or garnishing the wages of those who qualify for free or lower-cost health care as a result of medical bills and take other steps to protect families against medical debt. But troubled to learn from the Health Services Cost Review Commission's Feb. 2021 report that hospitals had charged improperly charged lower-income consumers an estimated \$60 million/year in both 2017 and 2018 for care they should have received for free.

Since medical bills and the rules about who qualifies for free or reduced-cost care are complex and little understood by many consumers, most of those stuck with such bills are surely unaware that they were improperly charged. **HB 694** will make sure those lower-income individuals and families who should have qualified for free care from 2017 to 2021 will get the reimbursements they need and deserve. With many of these families now living paycheck-to-paycheck and struggling to meet rising costs, those refunds will no doubt help many families keep the lights on, keep food in their cupboards, and gain a little bit of economic security.

Our laws make lower-income people eligible for free care because we know the high cost of care is unsustainable for many families. This bill will help thousands recover from such costs.

**We support HB 694 and ask you to give it a FAVORABLE report.**

Sincerely,  
Franz Schneiderman  
Consumer Auto

# **HB 694 Medical Bill Reimbursement.pdf**

Uploaded by: Jessica Klaitman

Position: FAV



**Testimony on HB 694**  
Hospitals - Financial Assistance - Medical Bill Reimbursement  
Position: **FAVORABLE**

Chair Kelley and Members of the Senate Finance Committee:

My name is Jessica Klaitman, and I am a resident of Baltimore County. I am writing on behalf of Baltimore Women United, a diverse group that educates women on important issues, engages them as voters, constituents, candidates and donors, to further women's equality in Baltimore and throughout Maryland. I am also a social worker with over 20 years of experience. I am writing today in support of House Bill 694-the Medical Bill Reimbursement Act.

HB694: Hospitals - Financial Assistance - Medical Bill Reimbursement will **rectify nonprofit hospitals' systemic overbilling of patients who should have received free healthcare by paying patients back and hold hospitals accountable to their legal obligation to provide free healthcare to low-income Marylanders.** A recent study by the Health Services Cost Review Commission found that in the years 2017-2018, Maryland's nonprofit hospitals charged patients who should have received free healthcare 60% of the time; totaling an estimated \$60 million per year that was wrongly taken from patients.

Hospitals have a fund of taxpayer money to draw upon for people in dire need who cannot afford medical care. By charging low-income patients despite the availability of these funds, hospitals have harmed the people they are meant to help. This bill repairs some of the harm done to our most vulnerable community members. It presents an exciting and rare opportunity to right wrongs, and concretely help people who have been hurt.

HB694 will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged, and refund those patients the amount that they overpaid. The legislation protects patients' privacy in accord with HIPPA and establishes a process to safely reach out to patients who use an alternate address. HB694 covers patients who were wrongly charged between 2017-2021, and requires progress reports to this committee and the House Health & Government Operations Committee.

I respectfully urge this committee to fight for Maryland's low-income patients by **issuing a favorable report with NO weakening amendments on HB 694.**

Sincerely,

Jessica Klaitman

Baltimore Women United Steering Committee



**WDC Testimony HB0694-2022\_Senate\_FINAL.pdf**

Uploaded by: JoAnne Koravos

Position: FAV



MONTGOMERY COUNTY, MARYLAND  
WOMEN'S DEMOCRATIC CLUB

P.O. Box 34047, Bethesda, MD 20827

[www.womensdemocraticclub.org](http://www.womensdemocraticclub.org)

**House Bill 694 – Medical Bill Reimbursement  
Senate Finance Committee Wednesday March 30, 2022  
SUPPORT**

Thank you for this opportunity to submit written testimony concerning an important priority of the **Montgomery County Women's Democratic Club (WDC)** for the 2022 legislative session. WDC is one of the largest and most active Democratic Clubs in our County with hundreds of politically active women and men, including many elected officials.

WDC urges the passage of HB694. This bill will rectify nonprofit hospitals' systemic overbilling of patients who should have received free healthcare by paying patients back; and hold hospitals accountable to their legal obligation to provide free healthcare to low-income Marylanders. A recent study by the Health Services Cost Review Commission found that in the years 2017-2018 Maryland's hospitals charged patients who should have received free healthcare 60% of the time; totaling an estimated \$60 million per year that was wrongly taken from patients.

Women and children who live below 200% of the poverty level are especially negatively impacted when they are forced to pay a hospital bill that they cannot afford to pay. The HSCRC report dated February 2021 determined that approximately 60% of uncompensated care charges are attributable to individuals with a household income under 200% of the federal poverty level. HB694 will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged and refund those patients the amount that they overpaid. The legislation protects patients' privacy in accord with HIPAA and establishes a process to safely reach out to patients who use an alternate address. HB694 covers patients who were wrongly charged between 2017-2021 and requires progress reports to this committee and the House Health & Government Operations Committee.

*This bill does not require hospitals to pay damages. It simply requires them to return funds paid by low-income patients who should never have been billed in the first place. This is a reasonable requirement.*

**We ask for your support for HB0694 and strongly urge a favorable Committee report.**

Respectfully,

Leslie Milano  
President

**HB694\_MD Center on Economic Policy\_FAV.pdf**

Uploaded by: Kali Schumitz

Position: FAV

# Hospitals Should Repay Low-Income Patients Who Were Billed But Eligible for Free Care

## Position Statement Supporting House Bill 694

*Given before the Senate Finance Committee*

Providing free and care to Marylanders facing economic challenges is a core part of the responsibility of the state's nonprofit hospitals. However, a recent report found that the hospitals have collected millions in medical debt from Marylanders who should have been eligible for free care. **The Maryland Center on Economic Policy supports House Bill 694, as amended in the House**, because it would create a process to help address this and ensure patients are reimbursed for incorrect charges.

In February 2021, the Health Services Cost Review Commission (HSCRC), an independent state agency responsible for regulating the costs of care in Maryland, released a report on the impact of hospital financial assistance policies.<sup>1</sup> Performing a robust review of data from 2017 and 2018, HSCRC staff found Maryland hospitals collected an estimated \$60 million each year from patients legally entitled to free medical care. This \$60 million annual sum is just what free-care eligible patients paid toward their bills — meaning the total amount these patients were pursued for by hospitals, via debt collectors and lawsuits, is presumably far higher.

HB 694 is a reasonable response that addresses both the billing issue and, as amended, accounts for concerns about patient privacy. It will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged, and refund those patients the amount that they overpaid. The legislation protects patients' privacy in accordance with HIPPA and establishes a process to safely reach out to patients who use an alternate address. HB694 covers patients who were wrongly charged between 2017-2021, and requires progress reports to this committee and the House Health and Government Operations Committee.

The patients who were affected by these improper charges are getting by on very low incomes. Any money that is able to be refunded to them will have significant positive benefits for increasing their well-being and economic stability. Further, as people struggling to make ends meet are more likely to spend funds to meet their basic needs, ensuring people are refunded the money they are owed will likely have some positive impacts for the economy and local businesses.

For these reasons, **the Maryland Center on Economic Policy respectfully requests the Finance Committee to make a favorable report on House Bill 694 with no further amendments.**

## Equity Impact Analysis: House Bill 694

### *Bill Summary*

HB 694 will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged, and refund those patients the amount that they overpaid.

### *Background*

HB 694 responds to the report from the Health Services Cost Review Commission that Maryland hospitals collected an estimated \$60 million from patients who *should have received free medical care* in both 2017 and 2018. These figures were part of a detailed analysis produced last year as a requirement of legislation passed in 2020.

### *Equity Implications*

The HSCRC analysis did not include data disaggregated by race. However, because of the state's long history of discriminatory policies and barriers to opportunity, Marylanders of color are more likely to have incomes below the thresholds that makes them eligible for free care.

### *Impact*

House Bill 694 will likely **improve health and economic equity** in Maryland.

---

<sup>i</sup> Maryland Health Services Cost Review Commission (2020) <https://drive.google.com/file/d/1lCBVIecgQvSqPhCLaYBI4lgHNoAuwwF3/view>

# **UFCW 400 Testimony in Support of HB 694 (Senate Fi**

Uploaded by: Kayla Mock

Position: FAV

## **Testimony in Support of HB 694**

### **Hospitals – Financial Assistance – Medical Bill Reimbursement**

TO: Hon. Chair Kelley, Vice Chair Feldman, and members of the Senate Finance Committee

FROM: Kayla Mock, Political Organizer

United Food and Commercial Workers Union, Local 400

Chair Kelley and members of the Senate Finance Committee, I appreciate the chance to share my testimony on behalf of our over 10,000 members in Maryland, working on the front lines of the ongoing pandemic in grocery, retail, food distribution, law enforcement, and healthcare. Through collective bargaining, our members raise the workplace standards of wages, benefits, safety, and retirement for all workers.

**We strong support HB 694 and urge this committee to vote it favorably, with no weakening amendments.**

HB 694 will **rectify nonprofit hospitals' systemic overbilling of patients who should have received free healthcare by paying patients back; and hold hospitals accountable to their legal obligation to provide free healthcare to low-income Marylanders.** A recent study by the Health Services Cost Review Commission found that in the years 2017-2018, Maryland's nonprofit hospitals charged patients who should have received free healthcare 60% of the time; totaling an estimated \$60 million per year that was wrongly taken from patients.

HB694 will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged and refund those patients the amount that they overpaid. The

legislation protects patients' privacy in accord with HIPPA and establishes a process to safely reach out to patients who use an alternate address. HB694 covers patients who were wrongly charged between 2017-2021 and requires progress reports to this committee and the House Health & Government Operations Committee.

This bill puts hard-earned cash back in the hands of low-income Marylanders who were robbed by the hospitals that were supposed to care for them. HB 694 gives hospitals the chance to start making things right.

I respectfully urge this committee to demonstrate its commitment to Maryland patients by **issuing a favorable report with NO weakening amendments on HB 694.**



**CASA\_FAV\_HB694.pdf**

Uploaded by: Kony Serrano

Position: FAV



Testimony on HB 694  
Hospitals - Financial Assistance - Medical Bill Reimbursement  
Health and Government Operations Committee  
Position: FAVORABLE  
Kony Serrano, On Behalf of CASA

March 28, 2022

Chair Kelley and Members of the Senate Finance Committee:

CASA is pleased to provide support for HB694 Medical Bill Reimbursement. CASA is the largest membership-based immigrant services and advocacy organization in the mid-Atlantic region, with a membership of over 120,000 Black and brown immigrants and working families.

HB694: Hospitals - Financial Assistance - Medical Bill Reimbursement will rectify nonprofit hospitals' systemic overbilling of patients who should have received free healthcare by paying patients back; and hold hospitals accountable to their legal obligation to provide free healthcare to low-income Marylanders. A recent study by the Health Services Cost Review Commission found that in the years 2017-2018, Maryland's nonprofit hospitals charged patients who should have received free healthcare 60% of the time; totaling an estimated \$60 million per year that was wrongly taken from patients.

Immigrant families have worked on the frontlines during the pandemic with 250K of them being excluded from healthcare programs due to their immigration status. Families often turn to the emergency rooms when facing life or death situations and leave with high bills that often put their families at risk of losing income for food and housing. This bill would be the first step to holding hospitals accountable for violating their commitment to offer financial assistance to patients whose income falls under a certain threshold.

HB694 will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged, and refund those patients the amount that they overpaid. The legislation protects patients privacy in accord with HIPPA and establishes a process to safely reach out to patients who use an alternate address. HB694 covers patients who were wrongly charged between 2017-2021, and requires progress reports to this committee and the House Health & Government Operations Committee.

I respectfully urge this committee to fight for Maryland's low-income patients by issuing a favorable report with NO weakening amendments on HB 694.

Kony Serrano Portillo  
Research and Policy Analyst  
[kportillo@wearecasa.org](mailto:kportillo@wearecasa.org)

**AFSCME-FAV-HB694.pdf**

Uploaded by: Lance Kilpatrick

Position: FAV



190 West Ostend St., #201  
Baltimore, MD 21230  
Phone: 410.547.1515  
Fax: 410.837.5436

Patrick Moran - President

---

**Testimony**  
**HB 694 – Hospitals - Financial Assistance - Medical Bill Reimbursement**  
**Finance**  
**March 30, 2022**  
**Support**

AFSCME supports HB 694. This legislation would establish requirements and prohibitions related to the reimbursement of out-of-pocket costs paid by hospital patients who were eligible for free care, including a requirement that the Health Services Cost Review Commission (HSCRC), the Office of the Comptroller, and the Department of Human Services develop a process for identifying, informing and paying patients who qualify for reimbursement and that hospitals reimburse those patients.

For years medical consumers have faced a terrifying prospect: getting needed medical services could very well send them into bankruptcy. The Affordable Care Act was supposed to address this issue but has had only limited success.

The State of Maryland has attempted to address this issue by providing financial support to all hospitals to ensure they provide free and low-cost care to patients who otherwise cannot afford care. Despite this mandate to provide care to low-income patients, Maryland hospitals often still go after former patients for medical debt - many of whom actually qualified for but did not receive free care - to collect on hospital bills under \$5000.

Chapter 770 of the Laws of 2021 sought to curb this sad practice. Looking back, however, the HSCRC discovered in 2017 and 2018 alone that there were charges of \$60 million annually that should not have been assessed to patients. This legislation would create a process for overcharged patients from 2017-2021 to be reimbursed for their health care costs.

We ask a favorable reporting of HB 694.

Every AFSCME Maryland State and University contract guarantees a right to union representation.  
An employee has the right to a union representative if requested by the employee.  
800.492.1996

Find us: [afscmemd.org](http://afscmemd.org)  
Like us: [facebook.com/AFSCMEMD](https://facebook.com/AFSCMEMD)  
Follow/Tweet us: [@afscmemaryland](https://twitter.com/afscmemaryland)

**Charkoudian\_694\_Senate\_Testimony.docx.pdf**

Uploaded by: Lorig Charkoudian

Position: FAV

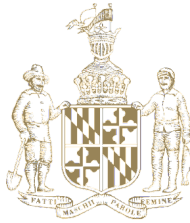
LORIG CHARKOUDIAN  
Legislative District 20  
Montgomery County

Economic Matters Committee

*Subcommittees*

Public Utilities

Chair, Unemployment Insurance



*Annapolis Office*  
The Maryland House of Delegates  
6 Bladen Street, Room 226  
Annapolis, Maryland 21401  
410-841-3423 · 301-858-3423  
800-492-7122 Ext. 3423  
Lorig.Charkoudian@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

HB 694 – HOSPITALS- FINANCIAL ASSISTANCE- MEDICAL BILL REIMBURSEMENT

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN  
MARCH 30, 2022

Chair Kelley, Vice Chair Feldman, and Members of the Finance Committee,

In the 2020 Session, the General Assembly passed HB 1420. It required a report from the Health Services Cost Review Commission (HSCRC). Among other findings, the report found that “approximately 1% of total hospital charges to individuals who likely qualify for free care are paid by those individuals (this amounts to approximately \$60 million statewide).” That is, **hospitals likely collected \$60 million per year in 2017 and 2018 from individuals who qualified for free care.**

This bill commissions the HSCRC to develop a process for hospitals to reimburse the individuals who paid out of pocket for free care they should have received. The Commission will determine an appropriate process to complete the following tasks:

- identify the patients who paid for hospital services and may have qualified for free care during fiscal years 2017, 2018, 2019, 2020, and 2021
- provide reimbursement to the patients
- ensure that a patient’s alternate address is used if the patient requested an alternate contact address for safety reasons
- allow the Department of Human Services and the Office of the Comptroller to share or disclose relevant information for the purposes of identifying individuals who qualify for reimbursement

On or before Jan 1, 2023, the Commission shall report to the Senate Finance Committee and the House Health and Government Operations Committee on how hospitals can develop and implement this process and recommend any necessary legislation that is needed to support the implementation. If no statutory changes are required, each hospital shall start implementation of the process on or before Jan 1, 2023.

Hospitals in Maryland are awarded tax-exempt status because of their legal commitment to provide free and low cost care to individuals who cannot afford healthcare services. This legislation will support hospitals in meeting their legal obligations to the state.

I respectfully request a favorable report on HB 694.

**HB694 Senate Finance FAVORABLE Testimony.pdf**

Uploaded by: Malcolm Heflin

Position: FAV



**Testimony on HB 694**  
Hospitals - Financial Assistance - Medical Bill Reimbursement  
Position: **FAVORABLE**

Chair Kelley and Members of the Senate Finance Committee:

My name is Malcolm Bates, and I'm a resident of Baltimore City. I am writing today in support of House Bill 694-the Medical Bill Reimbursement Act, and I submit this testimony on behalf of Progressive Maryland. Progressive Maryland is a statewide nonprofit advocacy organization promoting racial, social, economic, and environmental justice. With over 120,000 individual members, supporters, and organizational affiliates statewide, we are leading the fight for progressive change in Maryland through grassroots organizing, public education, and legislative advocacy.

HB694: Hospitals - Financial Assistance - Medical Bill Reimbursement will **rectify nonprofit hospitals' systemic overbilling of patients who should have received free healthcare by paying patients back; and hold hospitals accountable to their legal obligation to provide free healthcare to low-income Marylanders.** A recent study by the Health Services Cost Review Commission found that in the years 2017-2018, Maryland's nonprofit hospitals charged patients who should have received free healthcare 60% of the time; totaling an estimated \$60 million per year that was wrongly taken from patients.

**Progressive Maryland supports this bill because medical debt is a Racial Justice Issue.** 27.9% of Black households have medical debt, compared to 17.2% of white households nationwide. 50% of Black households were unaware of hospital financial assistance compared to 29% of white households. Providing the refunds outlined in this bill would be a small start in addressing a systemic problem in Maryland's healthcare system.

HB694 will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged, and refund those patients the amount that they overpaid. The legislation protects patients privacy in accord with HIPPA and establishes a process to safely reach out to patients who use an alternate address. HB694 covers patients who were wrongly charged between 2017-2021, and requires progress reports to this committee and the House Health & Government Operations Committee.

I respectfully urge this committee to fight for Maryland's low-income patients by **issuing a favorable report with NO weakening amendments on HB 694.**

Sincerely,



Malcolm Heflin Bates  
Lead Healthcare Organizer, Progressive Maryland  
443-956-0001, [malcolm@progressivemaryland.org](mailto:malcolm@progressivemaryland.org)

# **HB 694 Legislative Fact Sheet with logos.pdf**

Uploaded by: Marceline White

Position: FAV



---

**HB694/SB944: Hospitals – Financial Assistance -- Medical Bill Reimbursement**  
Position: **Favorable**

**Background**

In February 2021, the Health Services Cost Review Commission (HSCRC) released [a report on the impact of hospital financial assistance policies](#). The report found that in the years 2017-2018, Maryland's nonprofit hospitals charged patients who should have received free healthcare 60% of the time; totaling an estimated \$60 million per year that was wrongly taken from patients. **The findings demonstrate that Maryland hospitals are failing on their legal obligation to provide financial assistance to low-income patients.**

**How HB694 works**

As amended, HB 694 simply establishes a straightforward process for state agencies, the Comptroller, and Maryland hospitals to work together to :

1. Identify patients that should have received free care but were wrongfully charged and paid hospitals for this care
2. Provide a refund to these patients that overpaid and who should never have been billed in the first place.
3. Protect patient confidentiality in accordance with HIPPA and establish a process to safely reach out to patients who use an alternate address
4. Report on progress to the House Health & Government Operations Committee and Senate Finance Committee annually

**Why we need HB694 to pass this session!**

**Hospitals Have a Legal obligation to provide free healthcare.** Maryland hospitals must provide free care to low-income patients under federal and state law. The report shows they failed to meet this obligation & failed to make patients aware of financial assistance which is why MDGA passed legislation SB 875/HB 1420 in 2020 to increase awareness of this assistance.

**Providing Refunds to Patients is an Economic Justice Issue.** The cost of gas, food, and housing is increasing and outstripping minimum wage increases. The patients who qualify for free care live paycheck to paycheck. Providing them with a refund for overpayment will increase their economic security.

**Providing Refunds is a Racial Justice Issue.** 27.9 % of Black households have medical debt, compared to 17. 2% of white households nationwide. 50% of Black households were unaware of hospital financial assistance compared to 29% of white households. Providing refunds addresses some of the social disparities in health care access and provision.

**Hospitals Must Be Held Accountable.** Hospitals sent 60% of patients who should have received free care to debt collection. A portion of these financially fragile households paid hospitals \$60 million per year on top of the payment the hospitals already received from the state. This legislation holds hospitals accountable for their lax oversight.

# **Testimony on HB 694 Michael Dalto 3-30-2022.pdf**

Uploaded by: Michael Dalto

Position: FAV

**Testimony on HB 694**  
Hospitals - Financial Assistance - Medical Bill Reimbursement  
Position: **FAVORABLE**

Chair Kelley and Members of the Senate Finance Committee:

My name is Michael Dalto and I'm a resident of Baltimore City. I am writing today in support of House Bill 694-the Medical Bill Reimbursement Act.

HB694: Hospitals - Financial Assistance - Medical Bill Reimbursement will **rectify nonprofit hospitals' systemic overbilling of patients who should have received free healthcare by paying patients back; and hold hospitals accountable to their legal obligation to provide free healthcare to low-income Marylanders.** A recent study by the Health Services Cost Review Commission found that in the years 2017-2018, Maryland's nonprofit hospitals charged patients who should have received free healthcare 60% of the time; totaling an estimated \$60 million per year that was wrongly taken from patients.

I formerly worked for a state program that provides low-interest loans to Marylanders with disabilities to buy technology to enable them to live more independently. I reviewed hundreds of credit reports for loan applicants. Very many included collections and judgments for hospital debt, and many of the customers with hospital debt had incomes under 200% of the federal poverty level. This means they should have qualified for free care for which hospitals were reimbursed by public dollars. It's outrageous that hospitals would abrogate their obligation to screen patients for financial assistance eligibility and provide financial aid, particularly since the hospitals did not even bear the cost. Maryland hospitals stole \$60 million per year from their poorest patients. The General Assembly must ensure these patients are reimbursed and that hospitals never again exploit people they are supposedly committed to healing. HB 694 will make patients whole.

HB694 will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged, and refund those patients the amount that they overpaid. The legislation protects patients' privacy in accord with HIPPA and establishes a process to safely reach out to patients who use an alternate address. HB694 covers patients who were wrongly charged between 2017-2021, and requires progress reports to this committee and the House Health & Government Operations Committee.

I respectfully urge this committee to fight for Maryland's low-income patients by **issuing a favorable report with NO weakening amendments on HB 694.**

Sincerely,

Michael Dalto  
District 45  
3410 Parkside Drive  
Baltimore, MD 21214  
[mpdalto@yahoo.com](mailto:mpdalto@yahoo.com)

# **Testimony of Michael DeLong to Senate Finance Comm**

Uploaded by: Michael DeLong

Position: FAV

## Testimony of Michael DeLong to Senate Finance Committee on HB 694 Hospitals-Financial Assistance-Medical Bill Reimbursement-Favorable

Chair Kelley, members of the Senate Finance Committee,

My name is Michael DeLong and I am a resident of Silver Spring, a local advocate and organizer, and a member of the Montgomery County Young Democrats. I strongly urge you to support HB 694, the Medical Bill Reimbursement Act.

HB 694 will correct nonprofit hospitals' systemic overbilling of patients who should have received free healthcare by paying patients back, and it will hold hospitals accountable to their legal obligation to provide free healthcare to low-income Marylanders. A recent study by the Health Services Cost Review Commission found that in the years 2017-2018, Maryland's nonprofit hospitals charged patients who should have received free healthcare 60% of the time; in total, an estimated \$60 million per year was wrongly taken from patients.

Past wrongs need to be acknowledged and corrected. Health care is a human right, and in these cases many people who should have gotten free medical care had to pay substantial amounts of money. Many of them had to go into debt, which disproportionately harms low-income people and Black Americans. 27.9 % of Black households have medical debt, compared to 17.2% of white households nationwide. Providing these refunds will help people who badly need assistance and promote racial equality.

Moreover, the costs of gas, food, and housing are increasing and outstripping minimum wage increases. The patients who qualify for free care live paycheck to paycheck, and providing them with a refund for overpayment will increase their economic security. It is the right thing to do.

HB 694 will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged, and refund those patients the amount that they overpaid. The legislation protects patients privacy in accord with HIPPA and establishes a process to safely reach out to patients who use an alternate address. HB 694 covers patients who were wrongly charged between 2017-2021, and the bill requires progress reports to this committee and the House Health & Government Operations Committee.

Please vote for HB 694, favorably report the bill out of the Finance committee, and urge your colleagues to support the bill. Contact me at [michaeldelong94@gmail.com](mailto:michaeldelong94@gmail.com) if you have any questions.



# **HB694 Testimony - Senate.pdf**

Uploaded by: Michael Walsh

Position: FAV

**Testimony on HB 694**  
Hospitals - Financial Assistance - Medical Bill Reimbursement  
Position: **FAVORABLE**

Chair Kelley and Members of the Senate Finance Committee:

My name is Michael Walsh, and I'm a resident of Anne Arundel County. I am writing today in support of House Bill 694-the Medical Bill Reimbursement Act.

HB694: Hospitals - Financial Assistance - Medical Bill Reimbursement will **rectify nonprofit hospitals' systemic overbilling of patients who should have received free healthcare by paying patients back; and hold hospitals accountable to their legal obligation to provide free healthcare to low-income Marylanders.** A recent study by the Health Services Cost Review Commission found that in the years 2017-2018, Maryland's nonprofit hospitals charged patients who should have received free healthcare 60% of the time; totaling an estimated \$60 million per year that was wrongly taken from patients.

As a two-time cancer survivor I know all too well the burden of seeing the price to save my life. So you can imagine how heartbroken I was to learn that there are others in Maryland that are seeing bills not unlike my own but never should have because they legally qualify for free medical care. I can't understand why hospitals would be stealing from my fellow Marylanders! You cannot say that hospitals are acting in the best interest of their patients if they turn around and bill someone that shouldn't be, it's just not right.

HB694 will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged, and refund those patients the amount that they overpaid. The legislation protects patients privacy in accord with HIPPA and establishes a process to safely reach out to patients who use an alternate address. HB694 covers patients who were wrongly charged between 2017-2021, and requires progress reports to this committee and the House Health & Government Operations Committee.

I respectfully urge this committee to fight for Maryland's low-income patients by **issuing a favorable report with NO weakening amendments on HB 694.**

Sincerely,

Michael Walsh  
District 30B  
walsh2.michael@gmail.com  
410-353-2756

# **HB 694- Hospitals- Financial Assistance- Medical B**

Uploaded by: Nicole Stallings

Position: FAV



Maryland  
Hospital Association

## House Bill 694 - Hospitals - Financial Assistance - Medical Bill Reimbursement

**Position: *Support as Amended in the House***

March 30, 2022

Senate Finance Committee

### **MHA Position**

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment on House Bill 694. Maryland hospitals have only one core mission: to provide the best patient care possible. Hospitals believe every person should receive the care they need without financial worry or hardship. Maryland hospitals make every effort<sup>1</sup> to inform patients about available financial assistance, including free or reduced-cost care. That includes helping patients enroll in Medicaid or other insurance options and set up reasonable payment options when needed.

Hospitals' financial assistance and billing collections practices are governed by extensive state and federal laws. Over the past two years, this legislature strengthened the state's already-robust hospital financial assistance laws by passing [HB 1420, Chapter 420, Hospitals – Financial Assistance Policies and Bill Collection](#) and [HB 565, Chapter 770, Health Facilities – Hospitals – Medical Debt Protection](#). These comprehensive reforms have been in effect for less than two years, and hospitals worked diligently during the COVID-19 pandemic to ensure timely implementation of both.

House Bill 694, as introduced, required the Health Services Cost Review Commission (HSCRC), the Office of the Comptroller, and the Department of Human Services (DHS) to provide information to certain patients on their possible eligibility for refunds from hospitals for care delivered in 2017 and 2018. The bill also included a triggering mechanism that would expand the refund requirement to qualifying patients who received care in 2019 through 2021. While we support the sponsor's intent, the bill as introduced was unnecessarily complex and raised significant operational and analytical challenges, as well as data privacy concerns. These concerns are outlined in HSCRC's letter to the committee.

Maryland hospitals acknowledge that if a patient was billed for services when they were eligible for free care it was done unknowingly. HSCRC stated in their letter that, "Hospitals rely on patients to provide information to demonstrate that the patient is eligible for free and reduced-cost care. **If a patient does not provide this documentation, the hospital may not be able to make a determination of eligibility.**" Additionally, HSCRC stated, "Currently hospitals do not have access to income data from the Comptroller's Office." While hospitals do everything within their ability to acquire the necessary

---

<sup>1</sup> Under Maryland law, hospitals are required to post notices throughout the hospital informing patients of their right to apply for financial assistance. Hospitals must also inform patients how to apply for free and reduced-cost care (1) before the patient receives scheduled medical services;(2) before discharge; (3) with the hospital bill; (4) on request; and (5) in each written communication to the patient regarding collection of the hospital bill.

information from patients to determine eligibility for free care, the process outlined in the bill was based on a series of assumptions and estimates from the HSCRC that they contend was not meant to be used to provide individual refunds to patients.

Extensive deliberations on the bill over the past few months have exposed significant gaps in information. Various state agencies have a component of data needed to determine eligibility for free or reduced cost care, but **no state agency has complete information and hospitals only have information that patients choose to share**. A better system to support those who need financial assistance is interoperable systems that hospitals could access to determine eligibility. A retrospective review for data from five years ago, as outlined by the bill would be very challenging to implement.

MHA and other stakeholders offered a number of amendments in the House to attempt to address the privacy concerns and data sharing barriers. **Ultimately, we concluded more time is necessary to determine how information can be shared across agencies with hospitals to best help patients.**

This bill, as amended, requires the HSCRC, DHS, the State designated exchange, the Office of the Comptroller, and MHA, to develop a process that (1) identifies the patients who paid for hospital services who may have qualified for free care at the time of care in calendar 2017 through 2021; (2) provides reimbursement to the patients; (3) ensures that a patient's alternate address is used if the patient required an alternate address for safety reasons; and (4) determines how HSCRC, DHS, and the Comptroller's Office should share with or disclose relevant specified information, to the minimum extent necessary, to the hospital and in accordance with federal and State confidentiality laws.

Additionally, this bill requires HSCRC to report to the General Assembly on the development and implementation by hospitals of the process. If the process requires legislation for implementation, HSCRC must include legislative recommendations in the 2023 report; if not, hospitals must implement the process by January 1, 2023.

MHA strongly supports the broad policy goal of information sharing between state agencies and hospitals to enable identification of individuals who should receive free and reduced cost care.

For these reasons, we urge a favorable report on HB 694 as it was amended in the House.

For more information, please contact: Nicole Stallings, Chief External Affairs Officer and Senior Vice President, [nstallings@mhaonline.org](mailto:nstallings@mhaonline.org).

# HB 694: Hospitals - Financial Assistance - Medical Bill Reimbursement

## Background

The Maryland General Assembly passed comprehensive reforms in 2020 and 2021 that strengthened Maryland's already robust hospital financial assistance and medical debt collection requirements. Maryland hospitals have been hard at work implementing those provisions over the last two years, mid-pandemic.

In a report required under the 2020 reforms, the Health Services Cost Review Commission (HSCRC) modeled a series of assumptions and estimated that hospitals *may* have charged patients who were likely eligible for free care up to \$60 million in 2017 and 2018.

House Bill 694 as introduced required hospitals to work with HSCRC, the Comptroller, and the Department of Human Services to identify affected patients and reimburse them if they were incorrectly charged and paid for hospital services in 2017 and 2018.

## Operational, Analytical, and Privacy Concerns

HSCRC submitted a five-page letter to the bill's sponsor and the House Health & Government Operations Committee outlining "significant operational and analytical challenges" related to the basis of the bill and process established in HB 694. HSCRC's key concerns include:

"The project envisioned in HB 694 relies on a data set that HSCRC developed to estimate the impact of future policy changes, not to provide individual refunds to patients. **Using this data set to provide refunds to patients is complex, raising issues about data assumptions, data sharing, and data privacy...**HSCRC does not know the exact amount that each patient paid for hospital visits in 2017 or 2018."

**"State agencies do not have information on insurance denials or patient assets.** Without this information, state agencies cannot make a conclusive determination of eligibility."

"Currently **hospitals do not have access to income data** from the Comptroller's Office."

"Hospitals rely on patients to provide information to demonstrate that the patient is eligible for free and reduced-cost care. **If a patient does not provide this documentation, the hospital may not be able to make a determination of eligibility.**"

**"HSCRC does not have any evidence that the \$60 million in charges represents intentional or negligent actions by hospitals."**

If any patients were charged for services when they were eligible for free care, it was done unknowingly. While we do not know what amount may have been collected, we agree refunds should be issued accordingly. Maryland law already provides for the provision of refunds within a two-year period. Deliberations on HB 694 illustrate the significant information gaps across agencies and available to hospitals that impede the retroactive review and refund process as proposed.

# **LWVMD- HB 694- Hospitals-Financial Assistance-Medi**

Uploaded by: Nora Miller Smith

Position: FAV



## TESTIMONY TO THE SENATE FINANCE COMMITTEE

### HB 694: Hospitals- Financial Assistance- Medical Bill Reimbursement

**POSITION: Support**

**BY: Nancy Soreng, President**

**DATE: March 30, 2022**

The League of Women Voters of Maryland (LWVMD) **supports House Bill 694**, which directs hospitals to reimburse patients who were billed, and had paid, charges which should have been covered under the hospitals' financial assistance programs. Those patients had qualified for free care because their income was below 200% of the federal poverty level. Thus, they were the least likely to be able to manage and pay medical debt. Refunding what was paid due to hospital error is a matter of patient rights and consumer rights.

In the 1990's, the League of Women Voters developed a comprehensive position supporting a health care system that would provide affordable, quality health care, while protecting patient rights. The League lobbied in support of a strong Patients' Bill of Rights, which was ultimately included in the Affordable Care Act.

Each Maryland hospital is mandated by law to develop and implement a financial assistance policy to provide free care and reduced cost care to low-income individuals who either lack health insurance or whose coverage is inadequate to cover hospital charges. It is also mandated that if charges are erroneously billed and collected from a patient who should have been eligible for free or reduced-cost care, the hospital must refund those charges.

A February 2021 report from the Maryland Health Services Cost Review Commission: ***Analysis of the Impact of Hospital Financial Assistance Policy Options on Uncompensated Care and Costs to Payers*** analyzed Maryland hospitals' billing practices. The HSCRC determined that in CY 2017 and CY 2018, **Maryland hospitals incorrectly billed, and collected, millions of dollars from patients who had been eligible for free care.**

Per the **Executive Summary** of the report:

*-HSCRC determined that approximately 60% of UCC (i.e. unpaid charges) attributable to individuals with a household income under 200% of the federal poverty level (FPL) is reported by hospitals as bad debt, rather than free care. Hospitals are required by*



*statute to provide free care to patients below this income level. The analysis in this report suggests **that hospitals attempted (and failed) to collect this debt from a sizable number of patients likely eligible for free care. In addition, approximately 1% of hospital charges to individuals who likely qualify for free care are paid by those individuals (this amounts to approximately \$60 million statewide).***

**House Bill 694** details the procedure by which the HSCRC, the Office of the Comptroller and the Department of Human Services would work together to identify and notify those patients who had paid hospital charges incorrectly billed to them, and the hospitals would provide reimbursement.

Reimbursing them is a matter of fairness, and is a matter of patient and consumer rights.

**The League urges the committee to give a favorable report to House Bill 694.**

**HB0694-FAV-DTMG-3-30-22.pdf**

Uploaded by: Olivia Bartlett

Position: FAV



**Olivia Bartlett, DoTheMostGood Maryland Team**

**Committee:** Finance

**Testimony on:** HB0694 – Hospitals – Financial Assistance – Medical Bill Reimbursement

**Position:** Favorable

**Hearing Date:** March 30, 2022

**Bill Contact:** Delegate Lorig Charkoudian

DoTheMostGood (DTMG) is a progressive grass-roots organization with more than 3000 members in all districts in Montgomery County as well as several nearby jurisdictions. DTMG supports legislation and activities that keep its members healthy and safe in a clean environment and which promote equity across all our diverse communities. Equity must be restored when Maryland hospitals are failing in their legal obligation to provide financial assistance to low-income patients.

HB0694 responds to the shocking report that Maryland hospitals collected an estimated \$60 million from patients who should have received free medical care in 2017 and 2018. This money needs to be returned to these low-income Marylanders who were robbed by the hospitals that were supposed to care for them.

HB0694, as amended, will require the Maryland Health Services Cost Review Commission, in coordination with the Office of the Comptroller, the Department of Human Services, and the Maryland Hospital Association, to develop a process for identifying and reimbursing patients who qualified for free medical care in 2017 through 2021 and implement the process by January 1, 2023.

This is the right thing to do to protect Maryland patients and ensure accountability for hospitals. DTMG therefore strongly supports HB0694 and urges a **FAVORABLE** report on this bill.

Respectfully submitted,

Olivia Bartlett  
Co-lead, DoTheMostGood Maryland Team  
[oliviabartlett@verizon.net](mailto:oliviabartlett@verizon.net)  
240-751-5599

**OAG HEAU CPD\_FAV\_HB0694.pdf**

Uploaded by: Patricia O'Connor

Position: FAV

**BRIAN E. FROSH**  
*Attorney General*

**WILLIAM D. GRUHN**  
*Chief*  
Consumer Protection Division

**ELIZABETH F. HARRIS**  
*Chief Deputy Attorney General*

**CAROLYN QUATTROCKI**  
*Deputy Attorney General*

Writer's Direct Fax No.  
(410) 576-6571

Writer's Direct Email:  
poconnor@oag.state.md.us



**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**

Writer's Direct Dial No.  
(410) 576-6515

March 30, 2022

To: The Honorable Delores G. Kelley  
Chair, Finance Committee

From: The Office of the Attorney General's Consumer Protection Division and  
Health Education and Advocacy Unit

Re: House Bill 694 (Hospitals - Financial Assistance - Medical Bill Reimbursement):  
Support

The Office of the Attorney General's Consumer Protection Division (the Division) and the Health Education and Advocacy Unit (HEAU) support House Bill 694, and thank the Sponsor for working with hospitals, consumer advocates and state agencies to achieve a cost-effective and timely solution to the serious problem that was revealed on Page 1 of the February 2021 legislative report from the Health Services Cost Review Commission (HSCRC) entitled *Analysis of the Impact of Hospital Financial Assistance Policy Options on Uncompensated Care and Costs to Payers Mandated by House Bill 1420 (Ch. 470, 2020 Md. Laws) MSAR# 12823*:

HSCRC determined that approximately 60% of UCC (i.e. unpaid charges) attributable to individuals with a household income under 200% of the federal poverty level (FPL) is reported by hospitals as bad debt, rather than free care. **Hospitals are required by statute to provide free care to patients below this income level.** The analysis in this report suggests that hospitals attempted (and failed) to collect this debt from a sizable number of patients likely eligible for free care. In addition, **approximately 1% of total hospital charges to individuals who likely qualify for free care are paid by those individuals (this amounts to approximately \$60 million statewide).**

(Emphasis added).

The estimated amount of \$60 million in improperly collected payments from free-care eligible patients is based on data from HSCRC's hospital case mix data set; data from Maryland tax filings from the Maryland Office of the Comptroller (Comptroller's Office); and commercial insurance claims data from the Maryland Medical Care Database (MCDB) maintained by the Maryland Health Care Commission. The data does not, on its own, identify the free-care eligible patients who made payments they should never have been asked to make.

The bill requires HSCRC, in coordination with the Department of Human Services (DHS), the State-designated exchange (CRISP), the Comptroller's Office, and the Maryland Hospital Association (MHA), to develop a process that (1) identifies the patients who paid for hospital services who may have qualified for free care at the time of care in calendar 2017 through 2021; (2) provides reimbursement to the patients; (3) ensures that a patient's alternate address is used if the patient required an alternate address for safety reasons; and (4) determines how HSCRC, DHS, and the Comptroller's Office should share with or disclose relevant specified information, to the minimum extent necessary, to the hospital and in accordance with federal and State confidentiality laws.

By January 1, 2023, and January 1, 2024, HSCRC must report to this committee and the Health and Government Operations committee on the development and implementation by hospitals of the process required under the bill. If the process requires legislation for implementation, HSCRC must include legislative recommendations in the 2023 report; if not, hospitals must implement the process by January 1, 2023.

The hospitals will pay for the costs associated with the reimbursement effort and HSCRC will not take the costs into consideration when setting rates for the hospitals. We believe it is very important to not allow hospitals to shift to the State those costs associated with ensuring that hospitals fulfill their tax-exempt status obligations under federal and State laws, particularly in light of persistent concerns regarding whether the public receives adequate benefits as originally intended by the laws. *See* <https://www.modernhealthcare.com/not-profit-hospitals/not-profit-hospitals-dont-earn-tax-exemptions-researchers-say>

We urge a favorable report.

cc: Delegate Charkoudian, Sponsor

# **HB 694-Hospitals - Financial Assistance - Medical**

Uploaded by: Robin McKinney

Position: FAV



**HB 694-Hospitals - Financial Assistance - Medical Bill Reimbursement**  
**Senate Finance Committee**  
**March 30, 2022**  
**SUPPORT**

Chair Kelley, Vice-Chair, and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 694. HB 694 will rectify nonprofit hospitals' systemic overbilling of patients who should have received free healthcare by paying patients back; and hold hospitals accountable to their legal obligation to provide free healthcare to low-income Marylanders.

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. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

A recent study by the Health Services Cost Review Commission found that in the years 2017-2018, **Maryland's nonprofit hospitals charged patients who should have received free healthcare 60% of the time; totaling an estimated \$60 million per year that was wrongly taken from patients.**

The following are reasons why we must pass HB 694:

- **Hospitals Have a Legal obligation to provide free healthcare.** Maryland hospitals must provide free care to low-income patients under federal and state law. The report shows they failed to meet this obligation & failed to make patients aware of financial assistance which is why MDGA passed legislation SB 875/HB 1420 in 2020 to increase awareness of this assistance.
- **Providing Refunds to Patients is an Economic Justice Issue.** The cost of gas, food, and housing is increasing and outstripping minimum wage increases. The patients who qualify for free care live paycheck to paycheck. Providing them with a refund for overpayment will increase their economic security.
- **Providing Refunds is a Racial Justice Issue.** 27.9 % of Black households have medical debt, compared to 17.2% of white households nationwide. 50% of Black households were unaware of hospital financial assistance compared to 29% of white households. Providing refunds addresses some of the social disparities in health care access and provision.
- **Hospitals Must Be Held Accountable.** Hospitals sent 60% of patients who should have received free care to debt collection. A portion of these financially fragile households paid hospitals \$60 million per year on top of the payment the hospitals already received from the state. This legislation holds hospitals accountable for their lax oversight.

HB 694 will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged, and refund those patients the amount that they overpaid. The legislation protects patients' privacy in accord with HIPPA and establishes a process to safely reach out to patients who use an alternate address. HB694 covers patients who were wrongly charged between 2017-2021, and requires progress reports to this committee and the House Health & Government Operations Committee.

**Thus, we urge a favorable report on HB 694.**

*Creating Assets, Savings and Hope*



# **HB694 Testimony for Senate Finance Hearing-- Brigh**

Uploaded by: Roselie Bright

Position: FAV

**Testimony on HB 694**  
**Hospitals - Financial Assistance - Medical Bill Reimbursement**  
**Position: FAVORABLE**

Chair Kelley and Members of the Senate Finance Committee:

As a voter and resident of Rockville, I am writing today in support of House Bill 694-the Medical Bill Reimbursement Act.

HB694: Hospitals - Financial Assistance - Medical Bill Reimbursement will **rectify nonprofit hospitals' systemic overbilling of patients who should have received free healthcare by paying patients back; and hold hospitals accountable to their legal obligation to provide free healthcare to low-income Marylanders.** A recent study by the Health Services Cost Review Commission found that in the years 2017-2018, Maryland's nonprofit hospitals charged patients who should have received free healthcare 60% of the time; totaling an estimated \$60 million per year that was wrongly taken from patients.

Hospitals should count themselves lucky that they only have to refund the money they wrongly charged, and don't receive punitive punishment in this bill.

HB694 will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged, and refund those patients the amount that they overpaid. The legislation protects patients privacy in accord with HIPPA and establishes a process to safely reach out to patients who use an alternate address. HB694 covers patients who were wrongly charged between 2017-2021, and requires progress reports to this committee and the House Health & Government Operations Committee.

I respectfully urge this committee to fight for Maryland's low-income patients by **issuing a favorable report with NO weakening amendments on HB 694.**

Sincerely,

Roselie A. Bright, Sc.D.  
451 Hungerford Dr., Suite 119-214  
Rockville, MD 20850  
roseliemail@gmail.com

# **End Medical Debt - SB944.pdf**

Uploaded by: Rován Wernsdorfer

Position: FAV

**Testimony on HB 694**  
Hospitals - Financial Assistance - Medical Bill Reimbursement  
Position: **FAVORABLE**

Chair Kelley and Members of the Senate Finance Committee:

My name is Rován Wernsdorfer, and I'm a resident of Baltimore County. I am writing today in support of House Bill 694-the Medical Bill Reimbursement Act.

HB694: Hospitals - Financial Assistance - Medical Bill Reimbursement will **rectify nonprofit hospitals' systemic overbilling of patients who should have received free healthcare by paying patients back; and hold hospitals accountable to their legal obligation to provide free healthcare to low-income Marylanders.** A recent study by the Health Services Cost Review Commission found that in the years 2017-2018, Maryland's nonprofit hospitals charged patients who should have received free healthcare 60% of the time; totaling an estimated \$60 million per year that was wrongly taken from patients.

It is unconscionable that large medical institutions that have been provided the means to collect medical debts by the State, and who have an obligation to inform patients about how they might access those funds, should instead directly sue low income patients. My own adult son has been the victim of this problem.

HB694 will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged, and refund those patients the amount that they overpaid. The legislation protects patients privacy in accord with HIPPA and establishes a process to safely reach out to patients who use an alternate address. HB694 covers patients who were wrongly charged between 2017-2021, and requires progress reports to this committee and the House Health & Government Operations Committee.

I respectfully urge this committee to fight for Maryland's low-income patients by **issuing a favorable report with NO weakening amendments on HB 694.**

Sincerely,

Rovan V. Wernsdorfer  
District 44B  
[rwernsdorfer@gmail.com](mailto:rwernsdorfer@gmail.com)

# **Testimony on HB 694 Medical Bill Reimbursement.pdf**

Uploaded by: Susan Allen

Position: FAV

**Testimony on HB 694**  
Hospitals - Financial Assistance - Medical Bill Reimbursement  
Position: **FAVORABLE**

Chair Kelley and Members of the Senate Finance Committee:

My name is Susan Allen, and I'm a resident of Anne Arundel County. I am writing today—a volunteer for the Maryland Poor Peoples Campaign--in support of House Bill 694-the Medical Bill Reimbursement Act.

HB 694 is a SMALL STEP IN CREATING HEALTH JUSTICE FOR POOR MARYLANDERS.

HB694: Hospitals - Financial Assistance - Medical Bill Reimbursement will **rectify nonprofit hospitals' systemic overbilling of patients who should have received free healthcare by paying patients back; and hold hospitals accountable to their legal obligation to provide free healthcare to low-income Marylanders.** A recent study by the Health Services Cost Review Commission found that in the years 2017-2018, Maryland's nonprofit hospitals charged patients who should have received free healthcare 60% of the time; totaling an estimated \$60 million per year that was wrongly taken from patients.

Maryland poor and working families have been the victims of shameful billing and debt collection practices of nonprofit hospitals. The Maryland Poor Peoples Campaign has documented the harm our vulnerable families suffer without health insurance, especially when they have medical emergencies.

HB694 will establish a process requiring state agencies and the Comptroller to identify patients who were wrongly charged, and refund those patients the amount that they overpaid. The legislation protects patients' privacy in accord with HIPPA and establishes a process to safely reach out to patients who use an alternate address. HB694 covers patients who were wrongly charged between 2017-2021, and requires progress reports to this committee and the House Health & Government Operations Committee.

I respectfully urge this committee to fight for Maryland's low-income patients by **issuing a favorable report with NO weakening amendments on HB 694.**

Sincerely,

Susan D. Allen, District 30b  
Chair, Policy Working Group, Maryland Poor People's Campaign  
3463 Rockway Avenue  
Annapolis, MD 21403-4849  
410-626-2068

**3 - X - HB 971- FIN - MDH - LOI .docx.pdf**

Uploaded by: Heather Shek

Position: INFO



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Secretary

March 30, 2022

The Honorable Delores G. Kelley  
Chair, Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, MD 21401

**RE: HB 971 – Maryland Medical Assistance Program – Substance Abuse Treatment –  
Letter of Information**

Dear Chair Kelley and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of information on House Bill (HB) 971 – Maryland Medical Assistance Program – Substance Abuse Treatment – Network Adequacy. HB 971 will require MDH and its Behavioral Health Administration (BHA) to ensure the delivery system for specialty mental health services under the Maryland Medicaid Program (Maryland Medicaid) has an adequate number of substance use disorder (SUD) providers available to deliver drug and alcohol misuse treatment for children under 18.

Maryland Medicaid provides comprehensive and preventive health care services for children under age 21 who are enrolled in Medicaid as part of its Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit. Maryland Medicaid operates under an any willing provider model to ensure participants can access services and network adequacy must be sufficient to meet participant needs. A network adequacy assessment could help inform decision making on how to further grow the provider network to continue to serve the needs of vulnerable Marylanders and identify areas within the state that MDH should do targeted outreach in.

If you have any questions, please contact Heather Shek, Director of Governmental Affairs, at [heather.shek@maryland.gov](mailto:heather.shek@maryland.gov) or (410) 260-3190.

Sincerely,

A handwritten signature in black ink that reads "Dennis R. Schrader".

Dennis R. Schrader  
Secretary



**2 - HB 694 - FIN - HSCRC - LOI.docx.pdf**

Uploaded by: State of Maryland (MD)

Position: INFO



March 30, 2022

The Honorable Delores G. Kelley  
Chair, Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, MD 21401

**RE: HB 694 – Hospitals – Financial Assistance – Medical Bill Reimbursement –Letter of Information**

Dear Chair Kelley and Committee Members:

The Health Services Cost Review Commission (HSCRC) submits this letter of information for House Bill 694 (HB 694) titled, “Hospitals – Financial Assistance – Medical Bill Reimbursement.” This bill requires HSCRC, in coordination with the Department of Human Services, the State-designated Health Information Exchange, the Office of the Comptroller, and the Maryland Hospital Association, to develop a process for identifying and reimbursing patients who paid for hospital services while being eligible for free hospital care. The bill applies to hospital services provided between 2017 and 2021.

HSCRC staff provided significant feedback to the bill sponsor over the past 6 months to improve the operational feasibility of this bill and attempt to address issues with the process by which patients’ financial and health data are gathered and shared between public and private entities. However, this process was not sufficient to protect patients experiencing domestic violence. Immediately before cross-over day, the bill was amended to remove details of the process and instead designate HSCRC to develop a process. HSCRC will work with the entities named in this bill if it passes, but HSCRC cannot assure the Committee that a process can be developed that protects domestic violence survivors while also providing adequate protections for personal health and tax information.

**Background**

*Report Required in Chapter 470 of 2020*

HB 694 was prompted, in part, by the findings of a report required by section 2 of Chapter 470 of 2020,<sup>1</sup> which required the HSCRC to evaluate the impact on uncompensated care (UCC) costs of proposed changes to Health General § 19-214.1. As a component of the analysis used to estimate the potential impact of these changes on UCC, HSCRC modeled hospitals’ current performance in providing free hospital care using data from 2017 and 2018. HSCRC found that approximately 1% of total hospital charges to individuals who likely qualified for free care (or approximately \$60 million statewide each year) were paid by those individuals.

HSCRC does not have any evidence that this amount represents intentional or negligent actions by hospitals. For a number of reasons described below, HSCRC believes that the amount that would be refunded to patients under this bill would be less than the \$60 million figure.

---

<sup>1</sup> HSCRC, “Analysis of the impact of hospital financial assistance policy options on uncompensated care and costs to payers”, February 2021. Available at: [http://dlslibrary.state.md.us/publications/Exec/MDH/HSCRC/HB1420Ch470\(2\)\(2020\).pdf](http://dlslibrary.state.md.us/publications/Exec/MDH/HSCRC/HB1420Ch470(2)(2020).pdf)

Adam Kane, Esq  
Chairman

Joseph Antos, PhD  
Vice-Chairman

Victoria W. Bayless

Stacia Cohen, RN, MBA

James N. Elliott, MD

Maulik Joshi, DrPH

Sam Malhotra

Katie Wunderlich  
Executive Director

Allan Pack  
Director  
Population-Based Methodologies

Gerard J. Schmith  
Director  
Revenue & Regulation Compliance

William Henderson  
Director  
Medical Economics & Data Analytics

### *Hospital Financial Assistance*

Each hospital in Maryland is required by law to provide free care to patients with incomes at or below 200% of the federal poverty level (FPL)<sup>2</sup> and provide reduced-cost care to patients with income between 200% and 300% of FPL.<sup>3</sup> Reduced-cost care is also available to patients with income below 500% of FPL who have a substantial amount of medical debt.<sup>4</sup> HSCRC believes that access to hospital services for low income patients provided by these requirements is a key benefit of the Maryland Health Model and builds funding for this uncompensated care into the all-payer rates it sets for hospitals.<sup>5</sup>

To determine which patients are eligible for financial assistance in accordance with law, hospitals must verify factors such as income level or participation in certain social service programs. Hospitals often do so through an application process. Verification ensures that financial assistance is provided to those that truly need it while patients that can afford to pay their hospital bills do so.

Hospitals may encounter challenges determining the eligibility of patients for financial assistance. Common challenges include:

1. **Patient awareness of financial assistance:** Under Maryland law, hospitals are required to post notices throughout the hospital informing patients of their right to apply for financial assistance.<sup>6</sup> Hospitals must also inform patients how to apply for free and reduced-cost care before the patient receives scheduled medical services; before discharge; with the hospital bill; on request; and in each written communication to the patient regarding collection of the hospital bill.<sup>7</sup> Despite this effort by hospitals, patients may not realize that financial assistance is available to them or may not realize they will need it until after they have left the hospital.
2. **Applications and documentation demonstrating eligibility for financial assistance:** A patient must request to be considered for financial assistance and provide requested documents to the hospital. Without this information the hospital may not have the information necessary to determine if the patient is qualified. Hospitals do not have access to patient income data unless the patient provides that information to the hospital.<sup>8</sup>

These challenges impact hospitals' ability to identify and provide free care to all patients that qualify for it. HSCRC believes that some, if not all, of the \$60 million outlined in the report under Chapter 470 of 2020 may be the result of these challenges.

### **Concerns with the process contemplated by HB 694**

The project envisioned in HB 694 relies on a data set that HSCRC developed to estimate the impact of future policy changes, not to provide individual refunds to patients. Using this data set to provide refunds to patients is complex, raising issues about data assumptions, data sharing, data privacy, and patient safety.

---

<sup>2</sup> Md. Code, § 19-214.1(b)(2)(i) of the Health General Article. Chapter 470, 2020 strengthened the law related to hospital financial assistance. In addition, hospitals are subject to rules related to debt collection (Health General § 19-214.2). Chapter 770, 2021 strengthened consumer protections related to hospital debt collection.

<sup>3</sup> COMAR 10.37.10.26 A-2 (2)(a)(ii)

<sup>4</sup> COMAR 10.37.10.26 §A-2

<sup>5</sup> The UCC fund is used to redistribute funds between hospitals, so that hospitals providing more financial assistance are not put at a financial disadvantage.

<sup>6</sup> COMAR 10.37.10.26.A-2(6).

<sup>7</sup> COMAR 10.37.10.26.A(3).

<sup>8</sup> Specifically, hospitals do not have access to the income data from the Comptroller's Office that was used for modeling hospital performance in providing financial assistance under Chapter 470 (2020). Hospitals do use commercially available data sets to find information about public program enrollment which can help the hospital determine if a patient is presumptively eligible for free care without documentation from the patient

### *Income Data*

HSCRC's modeling for the report under Chapter 470 (2020) relied on HSCRC's ability to determine the percent of the patients who likely paid for hospital visits in a year that they were eligible for free hospital care (i.e., under 200% FPL). HSCRC was able to verify federal poverty levels ranges for some patients using income range (tax) data from the Comptroller's Office. For patients that did not have matching data from the Comptroller's Office, HSCRC made a number of assumptions related to patient income to complete the modeling.

#### *Patients with Known Incomes*

For about 45% of patient visits to hospitals in 2017-2018, we know that these patients had income under 200% FPL for the year because HSCRC was able to match income ranges provided by the Comptroller's Office to the patients in HSCRC's casemix data for the year. Approximately 13% of patient visits had income data from either 2017 or 2018, but not both years. For the report under Chapter 470 (2020), HSCRC staff assumed that a patient's income data from one year applied to both years. This may not be an accurate reflection of the patient's income in the year with the missing income data; the individual's financial status may have changed during that time period such that the patient was no longer eligible for free care.

#### *Patients with Imputed Incomes*

43% percent of the patient visits that HSCRC modeled as being eligible for free care for purposes of the report under Chapter 470 (2020) do not have income data from the Comptroller's Office for either 2017 or 2018. For these patients, HSCRC made assumptions about a patient's likely income for purposes of generating reasonable population-wide results.

Most of these patients were enrolled in Medicare. National statistics from the Kaiser Family Foundation demonstrate that about 20% of Medicare beneficiaries have incomes below 200% FPL. For purposes of the analysis under Chapter 470 (2020), staff randomly assigned an income of under 200% FPL to 20% of the Medicare population with no known income. This approach made sense for the purposes of population-level modeling of future policies required under Chapter 470 (2020). On the individual level, HSCRC staff do not know which patients in this population had incomes under 200% FPL. HSCRC also made assumptions about the income distribution of commercially insured individuals (4% - 5% of patient visits), and the homeless population (0.28% of the patient visits). Without income data, the only way for state agencies to identify if these people may have been eligible for financial assistance would be to match their data with data from the DHS, as individuals who are enrolled in certain social services programs are presumptively eligible for free care. HSCRC does not have information on enrollment in these programs. Because this population does not have a known income, the Comptroller likely does not have address information for these patients in their data set for the purpose of contacting the patients. HSCRC also does not have address information (or other identifiable information) for these patients. In order to provide a usable data set to DHS, HSCRC would need to share its data with the State-designated Health Information Exchange (HIE). The State-designated HIE is subject to specific privacy requirements (Health-General §4-302.2; COMAR 10.25.18).

#### *Privacy Concerns*

In order to notify patients that they may have been eligible for refunds during the years covered by HB 694, this bill originally contemplated HSCRC sharing data for patients with known incomes (including a unique patient ID, year of hospital visit, and hospital name) with the Comptroller's office, who would send those patients letters using address information that the Comptroller's Office has on file. However, to use a safe address, as required by the amended bill, data on patients with a hospital visit and an income under 200% FPL (based on Comptroller data) would need to be shared with the hospital that provided the service, as only the hospitals have the safe addresses. Similar to the patients with a known income, to use a safe address, as required by the amended bill, data on patients with a hospital visit and qualifying DHS program enrollment would need to be shared with the hospital. Alternatively, for both patient populations, hospitals would need to share all safe addresses with a State Agency for matching with the list of patients who may be entitled to a refund. Both approaches raise significant concerns about data sharing and the privacy of tax, health, and safety data.

## **Data Concerns that Impact Total Possible Refunds**

There are a number of factors that impact the total value of refunds that may be possible under HB 694.

### *Average Estimated Out-of-Pocket Cost Per Patient*

HSCRC does not know the exact amount that each patient paid for hospital visits in 2017 or 2018. HSCRC estimated likely out-of-pocket costs for the report under Chapter 470 (2020) using population-level data. These estimates were used to construct the \$60 million figure in the report. The actual amount paid may differ from HSCRC's estimates.

### *Insurance Denials*

For any patient, regardless of whether their income is known or imputed, HSCRC's data does not show whether an insurance denial occurred. Insurance denials result in no cost sharing for the patient. In HSCRC's data set, insurance denials look like paid claims. Thus, even for patients with known income, HSCRC cannot definitively say if the patient is entitled to a refund under HB 694. Patients who did not make a payment, because no payment was due as a result of an insurance denial, should not receive a "refund." Hospitals will need to review their records to determine if a patient actually paid for the service before issuing a refund. This is an administrative cost for hospitals.

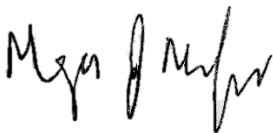
### *Assets, Asset Tests, and "Determination" of Eligibility for Free Care*

For any patient, regardless of whether their income is known or unknown, HSCRC does not know the value of the patient's assets. Some hospitals consider assets when determining eligibility for financial assistance.<sup>9</sup> If a patient was denied financial assistance due to the legitimate application of an asset test by a hospital, no refund is due to the patient. Hospitals with financial assistance policies that allowed for asset tests between 2017 and 2021 would need to review their records to see if the patient was reviewed for financial assistance and denied based on assets.

HSCRC remains concerned about the complexities of the process outlined in HB 694, including the substantial privacy implications for the data sharing required to implement this process. HSCRC expects that, if a process is developed under HB 694, the legislature will need to take action next year to implement that process due to the need for statutory authority for the state agencies to share this sensitive data. Thus, HSCRC does not believe hospitals would be able to implement the process developed under HB 694 before mid-2023, when legislation from the 2023 session goes into effect.

The HSCRC remains committed to ensuring that patients in Maryland have access to free and reduced-cost hospital care. Thank you for your consideration of the information in this letter. If you have any questions or if we may provide you with any further information, please do not hesitate to contact me at 410-382-3855 or at [megan.renfrew1@maryland.gov](mailto:megan.renfrew1@maryland.gov).

Sincerely,



Megan Renfrew  
Associate Director of External Affairs

---

<sup>9</sup> Health-General 214.1(b)(8) permits, but does not require, hospitals to use asset tests in determining eligibility for free and reduced-cost care. Some hospitals use asset tests while others do not.