



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.