



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).