

SB 404_PJC_Support_FIN.pdf

Uploaded by: Ashley Black

Position: FAV



Ashley Black, Staff Attorney
Public Justice Center
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SB 404
Hospitals – Financial Assistance – Medical Bill Reimbursement Process
Hearing of the Senate Finance Committee
February 23, 2023
1:00pm

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 and Benefits Equity Project advocates to protect and expand access to healthcare and safety net services for Marylanders struggling to make ends meet. We support policies and practices that are designed to eliminate economic and racial inequities and enable every Marylander to attain their highest level of health. **PJC strongly supports SB 404**, which would establish requirements related to the reimbursement of out-of-pocket costs paid by certain hospital patients who were eligible for free care. It would also modify the process the Health Service Cost Review Commission (HSCRC) is required to develop for identifying and reimbursing certain patients of hospitals.

Medical debt collection has a disproportionate impact on low-income patients and communities of color.

Medical debt collection not only threatens the financial and housing security of patients, but it also places an immense emotional and physical burden on patients, their families and can harm the overall health of the household. Medical debt keeps low-income patients in a cycle of poverty that can be difficult to break. It takes money that comes into the household away from paying for basic needs, such as food, housing, medication and utilities. This issue is a priority for PJC as many of our low-income clients who do not qualify for Medicaid coverage, including undocumented workers, experience significant challenges in affording unexpected medical bills.

SB 404 would create a process for patients wrongly pursued for debt to receive refunds from hospitals. In 2021, 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.¹ We thank this committee for the passage of [HB 694 \(2022\)](#), now law, which required 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.

SB 404 is a necessary technical bill to implement HB 694 and fine tunes the reimbursement process. SB 404 is the result of the [Hospital Free Care Refunds workgroup](#) led by HSCRC from May-December 2022 with stakeholders, including the involved state agencies, MHA, several major hospital systems, domestic violence survivors advocates and patients' rights advocates. The legislation addresses concerns that were raised regarding HB 694's implementation, including patient data sharing between state agencies and ensuring that refund notifications are sent to designated safe addresses for patients experiencing domestic violence.

If passed, SB 404 would require hospitals to analyze data on patients who paid bills between 2017-21 and cross-reference it with data from the Office of the Comptroller and DHS to identify patients who appear eligible for a refund. DHS and the Office of the Comptroller would then send letters notifying patients that they may be eligible for a refund and instructions on how to submit a request. Finally, Maryland's hospitals would review refund requests from patients to determine whether the patient was eligible for free care and if so, provide a refund.

Passing SB 404 is essential to ensuring that low-income Marylanders who were eligible for free care and paid their hospital bills between 2017-21 are made whole. For these reasons, the Public Justice Center urges the committee to issue a **FAVORABLE** report for **SB 404**. If you have any questions, please contact Ashley Black at 410-625-9409 x 224 or blacka@publicjustice.org.

¹ 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>.

EMDMaryland SB404HB333 Testimony.pdf

Uploaded by: Brige Dumais

Position: FAV



END MEDICAL DEBT MARYLAND

Testimony on SB404/HB333

Hospitals - Financial Assistance - Medical Bill Reimbursement

Position: FAVORABLE

To Chair Griffith and Members of the Senate Finance Committee;

To Chair Pena-Melnyk and Members of the Health & Government Operations Committee:

My name is Brige Dumais and I'm a Co-Chair of the End Medical Debt Maryland coalition. We are a statewide coalition of nearly 70 organizations and volunteers. Our members are labor unions, faith leaders, patients, health justice advocates, consumer rights proponents, lawyers, healthcare workers, and community members impacted by medical debt. Collectively, we represent over 350,000 Marylanders. We support SB404/HB333 which will implement a process to reimburse hospital patients who were supposed to receive free healthcare but were wrongfully billed by a hospital.

Background

Last year, the legislature passed HB694 in response to a shocking report that Maryland hospitals collected an estimated \$60 million from patients who should have received free medical care in both 2017 and 2018. These numbers were uncovered by the Health Services Cost Review Commission in an analysis produced last year as a requirement of legislation passed by this committee in 2020.

HB694 required the Health Services Cost Review Commission (HSCRC) to convene a workgroup of all stakeholders to figure out the best process for refunding patients while also maintaining patient privacy and ensuring safe-addresses were used for survivors of intimate partner violence. The workgroup met throughout the fall and there was a consensus among all parties that patients should be refunded.

SB404/HB333

This year's bill is a technical bill that simply implements the best process to refund patients based on recommendations from the HSCRC workgroup. The bill also provides support to assist affected consumers through the Office of the Attorney General and requires a report on progress to the General Assembly.

I respectfully urge this committee to demonstrate its commitment to Maryland patients by issuing a **favorable** report on SB404/HB333. Thank you.

In Unity,

Brige Dumais
brigette.dumais@1199.org

SB0404 Medical Bill Reimbursement Process FAV.pdf

Uploaded by: Cecilia Plante

Position: FAV



**TESTIMONY FOR SB0404
HOSPITALS – FINANCIAL ASSISTANCE – MEDICAL BILL REIMBURSEMENT
PROCESS**

Bill Sponsor: Senator Hershey

Committee: Finance

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0404 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state. We have over 30,000 members across the state.

The passage of the Medical Bill Reimbursement Act in the 2022 General Assembly session was an important step to ensure that those residents who qualify for free care were not overcharged by hospitals. Our members strongly supported that bill. Medical debt is one of the major causes of low-income residents being forced out of their homes and having to declare bankruptcy.

This bill follows the requirement that hospitals reimburse those patients who qualify for free care with specifics on how the process should work. The process requires multiple agencies to work in concert with the hospitals to determine if the patient's income was 200% below the poverty limit, or if they participated in any of the programs that support low-income residents, such as SNAP or Energy Assistance. If they do qualify, the hospital is required to provide a refund to them, unless it is for a single \$25 charge. We think the sharing of information is a good way to provide the hospital with the tools it needs to make this kind of determination.

We support the bill and we recommend a **FAVORABLE** report in Committee.

SB404-HB333 Medical Bill Reimburs.pdf

Uploaded by: Claire Landers

Position: FAV

SB404/HB333_ClaireLanders_FAV
Hearing: Feb. 23, 2023

Testimony on SB404/HB333
Hospitals - Financial Assistance - Medical Bill Reimbursement
Position: FAVORABLE

To Chair Griffith and Members of the Senate Finance Committee;
To Chair Pena-Melnyk and Members of the Health & Government Operations Committee:

My name is Claire Landers, a Marylander residing in Baltimore County, District 11. Last year my daughter underwent medical treatment that required numerous doctor consults, MRIs, sonograms and a procedure administered within a hospital that required anesthesia. This journey was stressful on many levels for my family. We were responsible for some out-of-pocket fees even though we are fortunate to have health insurance. I cannot imagine being a mother on a limited income whose child required this level of in-hospital medical care and then facing bills (and collection process) from a hospital that had already received payment!

We are duly proud that Maryland is home to first-class hospitals that deliver high-quality care to people who travel from out of state and from all over the world to receive treatment. So it is unconscionable that hospitals were sending bills and collecting payments from patients who had qualified for free medical care within Maryland's vaunted health care system. **It is imperative that patients who paid these illegally generated hospital bills be made financially whole as soon as possible by a refund process that maintains patient privacy, dignity and lends appropriate support from the Office of the Attorney General.**

I respectfully ask you, as Maryland's elected representatives, to act with urgency to move SB404/HB333 forward with a favorable report.

mwc_sb404_hb333_testimony2023.docx.pdf

Uploaded by: Dejah Desiree Williams

Position: FAV



Metro Washington Labor Council, AFL-CIO

815 Black Lives Matter Plaza NW • Washington, DC 20006 • 202-974-8150 • 202-974-8152 fax
An AFL-CIO “Union City”

Testimony on SB404/HB333

Hospitals - Financial Assistance - Medical Bill Reimbursement
Position: FAVORABLE

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To Chair Griffith and Members of the Senate Finance Committee;:

On behalf of the Metro Washington Council, AFL-CIO and its over 150,000 rank and file members, I am testifying in support of SB404 which will implement a process to reimburse hospital patients who were supposed to receive free healthcare but were wrongfully billed by a hospital.

Last year, the legislature passed HB694 in response to a shocking report that Maryland hospitals collected an estimated \$60 million from patients who should have received free medical care in both 2017 and 2018. These numbers were uncovered by the Health Services Cost Review Commission in an analysis produced last year as a requirement of legislation passed by this committee in 2020.

HB694 required the Health Services Cost Review Commission (HSCRC) to convene a workgroup of all stakeholders to figure out the best process for refunding patients while also maintaining patient privacy and ensuring safe-addresses were used for survivors of intimate partner violence. The workgroup met throughout the fall and there was a consensus among all parties that patients should be refunded.

This year's bill is a technical bill that implements the best process to refund patients. The bill simply also provides support to assist affected consumers through the Office of the Attorney General and requires a report on progress to the General Assembly.

SB404 ultimately 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. This bill 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 on SB404/HB333. Thank you.

Sincerely,
Dyana Forester
President

Bringing Labor Together Since 1896
www.dclabor.org

SB404 Senator Hershey Testimony.pdf

Uploaded by: Erika Howard

Position: FAV

STEPHEN S. HERSHEY, JR.
Legislative District 36
Caroline, Cecil, Kent, and
Queen Anne's Counties

—
MINORITY LEADER
—

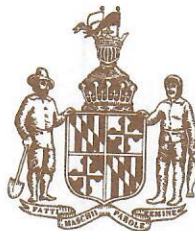
Finance Committee

Executive Nominations Committee

Rules Committee
—

Joint Committee on Legislative Ethics

Legislative Policy Committee



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

James Senate Office Building
11 Bladen Street, Room 423
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Steve.Hershey@senate.state.md.us

February 22, 2022

The Honorable Melony Griffith

Finance Committee

3 East Miller Senate Office Building

RE: Senate Bill 404 Hospitals- Financial Assistance- Medical Bill Reimbursement Process

Dear Madam Chair and Members of the Committee,

Senate Bill 404 is the implementation of the HSCRC workgroup that came out of this committee last year under House Bill 694 that established a process for low-income patients to receive refunds from hospitals that wrongly pursued them for debt.

The workgroup stakeholders convened over the interim to figure out the best process for refunding patients in a way that is HIPPA compliant, protects patient privacy and enables the necessary data sharing between state agencies to identify the patients who are eligible for refunds from the hospitals.

Senate Bill 404 has an amendment in file from the Attorney General that has consensus by all parties involved and matches the cross file, House Bill 333.

WDC 2023 Testimony SB404-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

Senate Bill 404
Hospitals – Financial Assistance – Medical Bill Reimbursement
Finance Committee - February 23, 2023
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 2023 legislative session. WDC is one of Maryland's largest and most active Democratic Clubs with hundreds of politically active members, including many elected officials.

WDC urges the passage of SB0404. A 2021 Health Services Cost Review Commission study found that about 60% of patients legally eligible for free hospital care were instead wrongly pursued by Maryland nonprofit hospitals for \$120 million over two years (2017 and 2018) and paid their bills. The Maryland General Assembly passed legislation in 2022 requiring Maryland hospitals to identify, notify and reimburse these patients. WDC strongly supported this bill.

Senate Bill 404 is a technical bill that implements the best process to refund patients. It will

- Create a process for patients wrongly pursued for debt to receive refunds from hospitals.
- Allow data-sharing between state agencies and hospitals to identify and refund patients, while protecting patient privacy.
- Provide support to assist affected patients through the Office of the Attorney General.
- Require a progress report to the General Assembly.

Senate Bill 404 ultimately puts hard-earned cash back into the hands of low-income Marylanders who were robbed by the hospitals that were supposed to care for them. The bill gives hospitals the chance to correct past mistakes.

We ask for your support for SB0404 and strongly urge a favorable Committee report.

Diana E. Conway
WDC President

Margaret Hadley
WDC Advocacy Committee

SB 404_MD Center on Economic Policy_FAV.pdf

Uploaded by: Kali Schumitz

Position: FAV

Low-Income Patients Who Were Eligible for Free Care Need to be Reimbursed

Position Statement Supporting Senate Bill 404

Given before the Senate Finance Committee

Providing free and reduced-cost medical care to Marylanders facing economic challenges is a core part of the responsibility of the state's nonprofit hospitals. However, a report found that hospitals have collected millions in medical debt from Marylanders who should have been eligible for free care. **The Maryland Center on Economic Policy supports Senate Bill 404 because it establishes a process to refund patients and provides added support to affected consumers navigating the reimbursement process.**

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.¹ 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. This data makes it clear that Maryland hospitals are not adequately meeting their legal obligation to provide financial assistance to low-income patients.

Last year, the legislature passed HB 694 in response to this concerning situation. The bill required the HSCRC to convene a workgroup of stakeholders to figure out the best process for refunding patients while also maintaining patient privacy and ensuring safe-addresses were used for survivors of intimate partner bias. The workgroup met throughout the fall and there was a consensus that patients needed to be reimbursed.

SB 404, known as the Medical Debt Reimbursement Act, is a technical bill that:

- Creates a process for patients wrongly pursued for debt to receive refunds from hospitals. It aims to identify patients who paid more than \$25 for hospital services who may have qualified for free care on services provided between 2017 and 2021.
- Allows data sharing between state agencies and hospitals to identify and refund patients, while protecting patient privacy. State agencies include the Office of the Comptroller, the Department of Human Services, and the Department of Education.
- Provides support to assist affected patients through the Health Education Advocacy Unit in the Office of the Attorney General. It also requires each hospital to create webpage detailing the reimbursement process and share contact information that a patient may use to ask about the process.

- Requires a report on progress to the General Assembly.

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 Senate Finance Committee to make a favorable report on Senate Bill 404.**

Equity Impact Analysis: Senate Bill 404

Bill Summary

SB 404 establishes requirements related to the reimbursement of out-of-pocket expenses paid by patients to hospitals who were eligible for free care. The bills considers requirements related to the use of patient data and the reporting and disclosure of certain information. It also makes modifications to the process through which the Health Services Cost Review Commission is required to develop for identifying and reimbursing patients. Moreover, it requires the hospitals to reimburse state government agencies for certain costs associated with this process, and authorizes the State Department of Assessments and Taxation and the Office of the Comptroller to disclose tax information to hospitals and certain units related to the reimbursement process.

Background

A report from the Health Services Cost Review Commission (HSCRC) showed 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 in 2021 as a requirement of legislation passed in 2020. The Maryland General Assembly passed legislation in 2022 requiring Maryland hospitals to identify, notify, and reimburse patients. Legislation also required the HSCRC to convene a workgroup of stakeholders to figure out what the reimbursement process would entail. SB 404 is a technical bill that creates the process through which patients wrongly pursued for debt can receive refunds from hospitals.

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. Additionally, a patient ineligible for Medicaid or the Maryland's Children Health Program (MCHP) who paid out-of-pocket expenses for services is presumptively eligible for the refunds if they:

- Received benefits through the federal Supplemental Nutrition Assistance Program (SNAP)
- Received benefits through the State's Energy Assistance Program
- Received benefits through the federal Special Supplemental Food Program for Women, Infants, and Children (WIC)
- Lived in a household with children enrolled in the free and reduced-cost meal program

It is of utmost importance that patients who are already receiving public assistance can get holistic economic support to stay afloat. SB 404 ultimately puts hard-earned cash back in the hands of low-income Marylanders.

Impact

Senate Bill 404 will likely **improve health and economic equity** in Maryland.

ⁱ Maryland Health Services Cost Review Commission, 2020, <https://drive.google.com/file/d/1lCBVIecgQvSqPhCLaYBI4lgHNoAuwvF3/view>

UFCW 400 Testimony in Support of SB 404.pdf

Uploaded by: Kayla Mock

Position: FAV

SB 404 – Hospitals – Financial Assistance

Medical Bill Reimbursement Process

SUPPORT

February 21, 2023

To: The Honorable Chair Griffith and Members of the Senate Finance Committee

From: Kayla Mock, Political & Legislative Director

United Food and Commercial Workers Union, Local 400

Dear Chair Griffith and members of the Senate Finance Committee:

I appreciate the opportunity to share my testimony on behalf of our over 10,000 members in Maryland, who have worked the frontlines and have been essential employees in grocery, retail, food distribution, law enforcement, healthcare, and cannabis. Through collective bargaining, our members raise the workplace standards of wages, benefits, safety, and retirement for all workers.

We are also a proud member of the End Medical Debt Maryland coalition.

We strongly support SB404 which will implement a process to reimburse hospital patients who were supposed to receive free healthcare but were wrongfully charged by a hospital.

Last year, the legislature passed HB694 in response to an appalling report that Maryland hospitals collected an estimated \$60 million from patients who should have received free medical care in both 2017 and 2018. These numbers were uncovered by the Health Services Cost Review Commission last year in an analysis produced as a requirement of legislation passed by this committee in 2020.

HB694 required the Health Services Cost Review Commission (HSCRC) to convene a workgroup of all stakeholders to decipher the best process for refunding patients while also maintaining patient privacy, and ensuring safe addresses were used for survivors of intimate partner bias. The workgroup met throughout the fall and met a consensus among all parties that patients should be refunded.

This year's bill is a technical bill that implements the best process to refund patients. The bill also provides support to assist affected consumers through the Office of the Attorney General and requires a report on progress to the General Assembly.

SB404 ultimately puts warranted cash back in the hands of low-income Marylanders who were robbed by the hospitals that were supposed to care for them. This bill 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 on SB404.

_SB 404 Economic Action Maryland -FAV.pdf

Uploaded by: Marceline White

Position: FAV



Testimony to the Senate Finance Committee
SB 404: Hospitals-Financial Assistance-Medical Bill Reimbursement Process
Position: Favorable

February 23, 2022

The Honorable Melony Griffith, Chair
Senate Finance Committee
Third Floor, Miller Senate Office Building
Annapolis, Maryland 21401
Cc: Members, Senate Finance Committee

Honorable Chair Griffith and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

We are here today in strong support of SB 404.

A December 2020 [HSCRC report](#) found that 60% of patients who should have gotten free hospital care instead were wrongly pursued by hospitals who used aggressive debt collection tactics to try to collect on unpaid care. Collectively, these low-income patients paid \$120 million to hospitals over two years despite the fact that they should have received free care.

Last session, this committee and the Senate unanimously passed [HB694](#) which established a process to identify patients who were overcharged, notify these patients that they are entitled to a refund, and provide refunds to those former patients that contact the hospitals. This is a bipartisan issue to ensure that patients are made whole.

SB 404 is a technical bill to implement the legislation that passed in 2022. It creates a process for state agencies to share data, protects patients' privacy, and ensures that a safe address is used for victims of intimate partner violence.

SB 404 establishes the process for data-sharing between agencies, sets a threshold for success, and outlines disposal of data. As outlined in the bill, the process is as follows:

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info@econaction.org · www.econaction.org · Tax
ID 52-2266235

- Hospitals will collect data on patients who paid bills for services in the time period covered under the legislation (2017-2021).
- The hospital data on these patients be combined with data from the Office of the Comptroller and DHS to identify patients who may be eligible for refunds for hospital financial assistance
- After this matching process, the Office of the Comptroller would send letters to those patients who were identified as having incomes at or below 200 percent FPL, using the current safe address (or current address, if there is no safe address) from the hospital.
- Patients would reach out to the hospitals to request a refund based on the letters received from DHS or the Office of the Comptroller. Based on the letter, the hospital would determine if the patients were eligible for free care and provide a refund to those that overpaid.

SB 404 establishes a process for data sharing between agencies in order to implement the process passed in 2022 and provides assistance to affected consumers through the Office of the Attorney General. Passage of SB 404 will enable patients who were wrongly charged by Maryland hospitals to be made whole.

As inflation causes food, utilities, and rents to soar, working families are struggling to make ends meet. Many are living paycheck to paycheck and cutting back on basic necessities. Providing refunds to patients that were wrongly charged will provide critical support to financially fragile families statewide.

For all of these reasons, we support SB 404 and urge a favorable report.

Best,

Marceline White
Executive Director

2209 Maryland Ave · Baltimore, MD · 21218 · 410-220-0494

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Economic Action Maryland is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.

Testimony on SB 404 Michael Dalto 2-23-2023.pdf

Uploaded by: Michael Dalto

Position: FAV

Testimony on SB 404
Hospitals - Financial Assistance - Medical Bill Reimbursement
Position: **FAVORABLE**

Chair Griffith and Members of the Senate Finance Committee:

My name is Michael Dalto and I'm a resident of Harford County. I am writing today in support of Senate Bill 404. I am a member of the End Medical Debt Maryland coalition, and I support SB404 which will implement a process to reimburse hospital patients who were supposed to receive free healthcare but were wrongfully billed by hospitals.

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.

In 2022, the General Assembly passed HB694, which required the Health Services Cost Review Commission (HSCRC) to convene a workgroup of all stakeholders to figure out the best process for refunding patients while also maintaining patient privacy and ensuring safe-addresses were used for survivors of intimate partner bias. The workgroup met throughout the fall and there was a consensus among all parties that patients should be refunded.

SB404

This year's bill is a technical bill that implements the best process to refund patients. The bill simply also provides support to assist affected consumers through the Office of the Attorney General and requires a report on progress to the General Assembly.

SB404 ultimately 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. This bill 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 on SB404. Thank you.

Sincerely,

Michael Dalto
District 7B
2802 Glen Elyn Way
Baldwin, MD 21013
mpdalto@yahoo.com

SB404 Testimony.pdf

Uploaded by: Michael Lent

Position: FAV



END MEDICAL DEBT MARYLAND

Testimony on SB404

Hospitals - Financial Assistance - Medical Bill Reimbursement

Position: FAVORABLE

To Chair Griffith and Members of the Senate Finance Committee;

My name is Michael Lent, and I'm a resident of Parkville in District 08. I am a member of the End Medical Debt Maryland coalition, and I support SB404 which will implement a process to reimburse hospital patients who were supposed to receive free healthcare but were wrongfully billed by a hospital.

Background

Last year, the legislature passed HB694 in response to a shocking report that Maryland hospitals collected an estimated \$60 million from patients who should have received free medical care in both 2017 and 2018. These numbers were uncovered by the Health Services Cost Review Commission in an analysis produced last year as a requirement of legislation passed by this committee in 2020.

HB694 required the Health Services Cost Review Commission (HSCRC) to convene a workgroup of all stakeholders to figure out the best process for refunding patients while also maintaining patient privacy and ensuring safe-addresses were used for survivors of intimate partner bias. The workgroup met throughout the fall and there was a consensus among all parties that patients should be refunded.

SB404

This year's bill is a technical bill that implements the best process to refund patients. The bill simply also provides support to assist affected consumers through the Office of the Attorney General and requires a report on progress to the General Assembly.

SB404 ultimately 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.

This bill 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 on SB404. Thank you.

Sincerely,

Michael Lent
District 08
delam3@gmail.com

SB404_MHA_FAV

Uploaded by: Nicole Stallings

Position: FAV



Maryland
Hospital Association

Senate Bill 404 - Hospitals - Financial Assistance - Medical Bill Reimbursement Process

Position: *Support*
February 23, 2023
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 in support of Senate Bill 404. 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 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 to set up reasonable payment options when needed. Over the past three legislative sessions the General Assembly acted to strengthen Maryland's already robust requirements around financial assistance and billing.

The reimbursement process prescribed in SB 404 results from recommendations in the Health Services Cost Review Commission's (HSCRC) "Free Hospital Care Refund Process" report, which stems from House Bill 694 of the 2022 legislative session. HSCRC convened stakeholders including the Comptroller's Office, Department of Human Services (DHS), and MHA, to develop a process to identify and reimburse patients who may have been billed and paid out-of-pocket for hospital services while unknowingly eligible for free care.

MHA was actively involved in the work group over the interim. Early deliberations confirmed significant gaps in information across parties. 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 must rely on patients to share data. If a patient does not provide this information, the hospital is likely unable to determine eligibility.

Maryland hospitals acknowledge that if a patient was billed for services when they were eligible for free care it was done unknowingly. This bill will facilitate data sharing necessary to identify these patients. If a patient paid a bill they should not have received, they will be refunded.

While HSCRC did not recommend a specific process to share data, MHA agrees with the provisions in SB 404. While "Option 3" (see attached) places an extensive data collection and data sharing burden on hospitals in the midst of severe workforce shortages, we are supportive because we are a partner in this work.

SB 404 would require hospitals to identify all patients who paid out of pocket for services rendered between 2017 and 2021 and share this data and safe addresses with the Office of the Comptroller. The Office of the Comptroller would then match this data with available tax information to identify patients with income at or below 200% of the federal poverty level. This

data would be used to send letters to patients to inform them that they are eligible for reimbursement. The Comptroller's Office would also share this information with DHS and the Department of Education to match with patients enrolled in the Energy Assistance, Supplemental Nutrition Assistance Program, and/or free and reduced cost meal programs. These individuals would be considered eligible for free care. Patients could then share these letters with the hospitals where they received services to obtain reimbursement if out-of-pocket payments were made.

Protecting the privacy of patients and their data is of the utmost importance for our hospitals. Even with safeguards in place, exchanging data among state agencies and hospitals increases the risk of a breach. We appreciate the bill acknowledges sharing data must be done in accordance with state and federal laws. The hospital field will work closely with HSCRC and state partners over the interim to implement this process accordingly.

Further, we hope the appropriate state agencies and stakeholders will continue to collaborate on opportunities to reduce consumer cost exposure and ease barriers to accessing care that result from aggressive payer practices and underinsurance.

For the aforementioned reasons, we respectfully request a *favorable* report on SB 404.

For more information, please contact:

Nicole Stallings, Executive Vice President and Chief External Affairs Officer
Nstallings@mhaonline.org

OVERVIEW OF MARYLAND'S HOSPITAL FINANCIAL ASSISTANCE PROGRAMS

If the patient or their representative has questions regarding financial assistance and/or billing concerns, please [contact the hospital where they received the services](#).¹

TYPES OF HOSPITAL FINANCIAL ASSISTANCE AVAILABLE TO PATIENTS

- Free care:
 - Patients with family income at or below 200% of the federal poverty level (FPL) are eligible for free, medically necessary care
 - Additionally, unless a patient is otherwise eligible for Medicaid² or CHIP, beneficiaries/recipients of the following means-tested social services programs are deemed eligible for free care. This is referred to as “presumptive eligibility for free care.” Hospitals will attempt to determine whether the patient is presumptively eligible for free care using existing information:
 - Households with children in the free or reduced lunch program
 - Supplemental Nutrition Assistance Program (SNAP)
 - Low-income-household energy assistance program
 - Primary Adult Care Program (PAC), until such time as inpatient benefits are added to the PAC benefit package
 - Women, Infants and Children (WIC)
 - Other means-tested social services programs deemed eligible for hospital free care policies by the Maryland Department of Health and the Health Services Cost Review Commission
- Reduced-cost care:
 - Low-income patients with family income between 200% and 300% of the FPL are eligible for reduced-cost, medically necessary care
 - Patients with family income below 500% of the FPL who have a financial hardship³ are eligible for reduced-cost, medically necessary care

If the patient is not sure whether they qualify for financial assistance, the patient should contact the hospital where they received services.

FINANCIAL ASSISTANCE APPLICATION

Patients who were not determined presumptively eligible for free care by the hospital can apply for financial assistance. Information on how to apply for financial assistance is included with the bill. All Maryland hospitals use the [same financial assistance application form](#).⁴ **Patients can apply up to 240 days (about eight months) after the date the first post-discharge billing statement is provided.** Hospitals will take into consideration any change in the patient's financial circumstances that occurs within this time frame. Patients should contact the hospital directly if they need more time to apply, if they are unsure whether someone who has contacted them is associated with the hospital, or if they

¹ List of links to Maryland hospital financial assistance policies: mhaonline.org/transforming-health-care/caring4md/financial-assistance

² Medicaid in Maryland has no patient cost-sharing.

³ “Financial hardship” means medical debt, incurred by a family over a 12-month period that exceeds 25 percent of family income. “Medical debt” means out-of-pocket expenses, excluding copayments, coinsurance, and deductibles, for medical costs billed by a hospital.

⁴ Uniform Financial Assistance Form (Word download): hscrc.maryland.gov/Documents/public-interest/MDuniformFinancialAssistanceApp.doc



need help completing the application. Patients are strongly encouraged to promptly respond to hospital follow-up inquiries regarding their application to facilitate processing. A telephone number for the hospital's billing department is normally included with the bill.

PROCEDURAL REQUIREMENTS

Hospitals' procedures to determine a patient's eligibility for financial assistance include, among other things:

- Determine whether the patient has health insurance
- Determine whether the patient is presumptively eligible for free or reduced-cost care
- Determine whether uninsured patients are eligible for public or private health insurance
- To the extent practicable, offer assistance to uninsured patients if the patient chooses to apply for public or private health insurance
- To the extent practicable, determine whether the patient is eligible for other public programs that may assist with health care costs
- Use information in the possession of the hospital, if available, to determine whether the patient is qualified for free or reduced-cost care

CITIZENSHIP OR IMMIGRATION STATUS

A hospital may not use a patient's citizenship or immigration status as an eligibility requirement for financial assistance.

PAYMENT PLANS

Payment plans are available to patients irrespective of their insurance status with family income between 200% and 500% of the FPL who request assistance. However, any patient who may need a payment plan—regardless of family income—should contact the hospital where they received services to discuss available payment options.

NOTICE OF FINANCIAL ASSISTANCE POLICIES

Hospitals provide patients with notice of their financial assistance policies in two main ways.

- **Information sheets:** This describes the hospital financial assistance policies and is provided to the patient, the patient's family, or the patient's authorized representative at the following times:
 - Before the patient receives scheduled medical services
 - Before discharge
 - With the hospital bill
 - On request
 - In each written communication to the patient regarding collection of the hospital bill
- Information sheets include contact information for the individual or office at the hospital that is available to assist the patient, the patient's family, or the patient's authorized representative understand how to apply for free and reduced-cost care
 - Includes space for patients to initial they have been made aware of the financial assistance policy
- **Notice in conspicuous places:** Hospitals post notices in conspicuous places throughout the hospital, including the billing office informing patients of their right to apply for financial assistance and who to contact at the hospital for additional information

Table 1: Comparison of Process Options

Statutorily Required Elements of the Process to Provide Refunds	Option 1: Hospital and Patient-provided Data Only	Option 2: Start with Comptroller Data	Option 3: Start with Hospital Data	Option 4: Start with HSCRC Data
Patient Identification (HG §19–214.4(a)(1))	<i>May meet this requirement (see question above).</i> Under this option, all patients who paid for a hospital service will be contacted. The hospital will determine the patient’s eligibility for free care based on information available to the hospital and information provided by the patient (the same process that is used to determine financial assistance eligibility).	<i>Meets this requirement.</i> Under this option, Comptroller, HIE, HSCRC, DHS, hospital data (and MDH and MSDE data, if applicable), will be used to identify patients who may be eligible for a refund.	<i>Meets this requirement.</i> Under this option, hospital, Comptroller, and DHS data (and MDH and MSDE data, if applicable) will be used to identify patients who may be eligible for a refund.	<i>Meets this requirement.</i> Under this option, HSCRC, HIE, Comptroller, DHS, and hospital data (and MDH and MSDE data, if applicable), will be used to identify patients who may be eligible for a refund.
Patient Reimbursement (HG §19–214.4(a)(2))	All options meet this requirement. Patients who qualify for reimbursement will receive refunds from the hospital.			
Safe Address (HG §19–214.4(a)(3))	<i>Meets this requirement.</i> The hospitals would contact patients using current safe addresses (or current addresses, if there is no safe address).			
Data Sharing & Data Protection (HG §19–214.4(a)(4))	<i>Lowest:</i> This option does not require data sharing, except between the hospital and the patient. This option minimizes concerns with data privacy and security, including compliance with Federal and State law.	<i>High:</i> This option requires extensive data sharing between State agencies and hospitals. This option presents significant risks for data privacy and security.	<i>Moderately High:</i> This option requires some data sharing between hospitals and State agencies. This option presents risks for data privacy and security.	<i>High:</i> This option requires extensive data sharing between State agencies and hospitals. This option presents significant risks for data privacy and security.

Other Policy Issues	Option 1: Hospital Data Only	Option 2: Start with Comptroller Data	Option 3: Start with Hospital Data	Option 4: Start with HSCRC Data
Protecting Domestic Violence Survivors and other Special Populations	All options meet the safe address requirement. Additional concerns related to alternative outreach methods (including patient portals) and the content of any messages to patients is discussed elsewhere in this report and applies to all the process options.			
Minimizing the burden on patients who may be eligible for refunds	<i>Highest:</i> This process requires the most work by patients	<i>Lower:</i> State agency and hospital data is used to identify patients who are likely due a refund, such that patients will not need to provide evidence of income or social services program enrollment.		
Minimizing the burden and cost to hospitals	<i>High:</i> This option results in the largest burden for hospitals as hospitals must evaluate information from patients to determine income and/or social services program enrollment. Costs would depend on the method of communication. A public service announcement (PSA) campaign or electronic notices (e.g., email or portal) could lower costs, whereas mailed letters would have higher costs.	<i>Lower:</i> Options 2, 3, and 4 reduce hospital burden by using State data to determine income or social services program enrollment.	<i>Lowest:</i> Options 2, 3, and 4 reduce hospital burden by using State data to determine income or social services program enrollment.	<i>Lower:</i> Options 2, 3, and 4 reduce hospital burden by using State data to determine income or social services program enrollment.
		Under Options 2-4, hospitals will need to contact patients, which takes resources. The resources needed to contact patients under Options 2-4 are less than the resources under Option 1 due to the smaller list of patients being contacted		
Minimizing the burden to State agencies	<i>Lowest:</i> No State agency data is used in this option.	<i>Higher:</i> This option requires extensive data sharing between State agencies.	<i>Highest:</i> This option requires data sharing between State agencies.	<i>Higher:</i> This option requires extensive data sharing between State agencies.

CASA_FAV_SB404.pdf

Uploaded by: Ninfa Amador

Position: FAV



Testimony in SUPPORT of SB 404
Hospitals - Financial Assistance - Medical Bill Reimbursement
Senate Finance Committee

February 23, 2023

Dear Honorable Chair Griffith and Members of the Committee,

CASA, as a member of the End Medical Debt Maryland Coalition, is pleased to offer favorable testimony in strong support of SB 404 on Medical Reimbursement. CASA is the largest immigrant services and advocacy organization in Maryland, and in the Mid-Atlantic region, with a membership of over 120,000 Black and Latino immigrants and working families. This legislation represents an important step towards health equity and fair practices by implementing a process to reimburse hospital patients who were wrongfully billed by a hospital when they were eligible to receive free healthcare services.

CASA operates a robust Health and Human Services Department, where our offices work closely with undocumented Marylanders who are uninsured. The CASA health team helps thousands of immigrant and working-class families navigate the Health and Human Services System each year. From our case management assistance that connects members with social services to improve physical and mental health to our multilingual health hotline and medical interpreter program, to our comprehensive public benefits outreach and enrollment program - CASA is one of the leading and trusted organizations providing health support to the immigrant community. The majority of families we serve everyday lack access to health insurance programs and urgently need better, affordable options for care. Due to their lack of health insurance coverage receiving care while undocumented is extremely expensive for our immigrant families, the majority of who are also low-income. CASA is outraged by the data reported by Health Services Cost Review Commission (HSCRC) that revealed Maryland hospitals to have wrongfully collected \$60 million from patients who should have received free medical care in both 2017 and 2018. These numbers were uncovered by the HSCRC in an analysis produced last year as a requirement of legislation passed by this committee in 2020. These hospitals are unethical and are violating their commitment to serve Marylanders by stealing from members of our communities who do not have funds to spare putting them further in debt and further affecting other aspects of their life.

Last year, the legislature passed HB694 requiring the HSCRC to convene a workgroup of all stakeholders to figure out the best process for refunding patients while also maintaining patient privacy and ensuring safe addresses were used for survivors of intimate partner bias. The workgroup met throughout the fall and there was a consensus among all parties that patients should be refunded. SB404 ultimately 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. This bill allows hospitals to right their wrongs. We cannot undo the past and the consequences of these wrongful billings but we can provide impacted patients with monetary relief now. CASA strongly urges this committee to issue a **favorable report for SB404** to continue the work that this Committee has been doing towards equity for all especially our most vulnerable communities.

SB 404- LWVMD- FAV- Medical Bill Reimbursement.pdf

Uploaded by: Nora Miller Smith

Position: FAV



TESTIMONY TO THE SENATE FINANCE COMMITTEE

SB0404: Hospitals- Financial Assistance- Medical Bill Reimbursement Process

POSITION: Support

BY: Nancy Soreng, President

DATE: February 23, 2023

The League of Women Voters Maryland supports **Senate Bill 0404: Hospitals- Financial Assistance- Medical Bill Reimbursement**, which would reimburse patients eligible for free care at Maryland hospitals between 2017 and 2021, but who had mistakenly been billed, and had paid those bills.

The League of Women Voters Maryland believes that health care is a human right, and that every Maryland resident should have access to affordable, equitable, quality health care that also protects patients' rights.

Each Maryland hospital is mandated to develop and implement a financial assistance policy to provide free or 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 eligible for free or reduced cost care, that those charges must be reimbursed by the hospital.

In 2021, a shocking report from the Maryland Health Services Cost Review Commission found that Maryland Hospitals in 2017 and 2018 had incorrectly billed and collected \$60 million dollars per year from patients eligible for free care. Legislation was then quickly passed in 2022 (CH0683), creating a task force to design a refund process.

Passage of Senate Bill 404 would implement the recommendations of that task force.

Patients who had been billed erroneously would be identified through the combined efforts of the hospitals, the Comptroller's office, and the Department of Human Services, and would be notified of their eligibility for a refund. **Maryland hospitals would then provide the reimbursement.**

Refunding these patients is a matter of fairness, and is a matter of patient and consumer rights. The League and its 1,500+ members urge the committee to give a favorable report to Senate Bill 404.

Testimony - SB404 - Hospitals Financial Assisstanc

Uploaded by: Richard KAP Kaplowitz

Position: FAV

My name is Richard Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of SB#/0404, Hospitals – Financial Assistance – Medical Bill Reimbursement Process.

I approach the aims of this bill from my Jewish religious belief's framework. Psalm 41:1 - Blessed is the one who considers the poor! In the day of trouble, the Lord delivers him; Psalm 72:12 - For he delivers the needy when he calls, the poor and him who has no helper. This view of how we should and must deal with our neighbors struggling with medical bills they should not have received should be the principle for a favorable report on this bill.

It is also a fact that we have documented cases in which bills were rendered incorrectly for those persons who should not be receiving those notices. Health care should and must be a human right. This bill seeks to mandate making proper restitution to anyone affected by overbilling of hospital charges when such care was not due for billing due to the patients financial condition.

This bill addresses a commonsense approach to correcting this situation and restoring to persons needing these refunds those ineligible charges they incurred. **I respectfully urge this committee to return a favorable report on SB0404.**

(2.22) SB 404 - Hospitals - Financial Assistance -

Uploaded by: Robin McKinney

Position: FAV



SB 404 - Hospitals - Financial Assistance - Medical Bill Reimbursement Process
Senate Finance Committee
February 23rd, 2023
SUPPORT

Chairwoman Griffith, Vice-Chair and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 404. This bill will create a process in which low-income Marylanders that paid for medical care that should have been free, receive a reimbursement.

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.**

CASH is a member of the End Medical Debt Maryland Coalition, and we support Senate Bill 694.

Last year, the legislature passed HB 694 in response to a shocking report that Maryland hospitals collected an estimated \$60 million from patients who should have received free medical care in both 2017 and 2018. These numbers were uncovered by the Health Services Cost Review Commission (HSCRC) in an analysis produced last year as a requirement of legislation passed by this committee in 2020. HB 694 required HSCRC to convene a workgroup of all stakeholders to figure out the best process for refunding patients while also maintaining patient privacy and ensuring safe addresses were used for survivors of intimate partner bias. The workgroup met throughout the fall and there was a consensus among all parties that patients should be refunded.

This year's bill will implement the best process to refund patients. The bill also provides support to assist affected consumers through the Office of the Attorney General and requires a report on progress to the General Assembly.

Many low-income patients cannot afford insurance and must pay out of pocket for any medical procedure or visit. Hospitals have financial incentives, provided by the state, so they can provide medical care to low-income patients at free or reduced rates. However, Maryland hospitals have filed lawsuits against their low-income patients when they incorrectly charged them for services. SB 404 ultimately puts hard-earned cash back in the hands of low-income Marylanders who were wrongly sued by the hospitals. This bill gives hospitals the chance to reimburse their low-income patients and make things right.

Thus, we encourage you to return a favorable report for SB 404.

Creating Assets, Savings and Hope

SB0404-Fav Testimony POLICY FOUNDATION OF MARYLAND

Uploaded by: Sarahia Benn

Position: FAV



Policy Foundation of Maryland

Committee: Judicial Proceedings, Finance

Testimony on: SB0404 - Hospitals - Financial Assistance - Medical Bill Reimbursement Process

SPONSOR: Senator Hershey, Senator Hayes

Organization: Policy Foundation of Maryland, EMD Maryland (End Medical Debt MD)

Person Submitting: Sarahia Benn (Executive Dir.) PFOM

Position: Favorable

Hearing Date: February 23, 2023 1PM

Mrs. Chair and Members of the Committee,

Thank you for allowing testimony today in support of HB0404. Policy Foundation of Maryland is a statewide grassroots organization focused on State and County level legislation and policies that impacts Black, Brown, Marginalized, low income communities and Veterans affairs. Medical and healthcare legislation is of massive importance to these communities particularly due to how impacted these communities have been historically and currently particularly in for multiply residents in rural areas.

My name is Sarahia Benn. I'm a resident of Harford County and Executive Director of Policy Foundation of Maryland. I am a member of the End Medical Debt Maryland coalition. I support SB0404 which will implement a process to reimburse hospital patients who were supposed to receive free healthcare but were wrongfully billed by a hospital.

I entered into political advocacy because of how abusive the medical and health care system was to my elderly parents and many others like them; one parent a Korean Veteran and the other ex government worker. I have continued to find more and more regarding our failed medical and health care system to be outraged about. This is why learning that around \$60 million per year has been stolen from low-income Marylanders who are already struggling to get by and are stressed from quality of life issues is just unacceptable in 2023.

This bill is important to my P.F.O.M. because we represent those who are unheard, unseen, and underrepresented, particularly considering that I reside in a multiply marginalized predominant district that experiences all these issues and has the largest low income, Black, marginalized, and Veteran community in Harford County who all suffer from medical debt issues.

According to the law, hospitals are legally obligated to offer financial assistance to patients whose income falls under a certain threshold. By not doing so these hospitals are violating their commitment to serve their communities and stealing from members of our communities who are the most vulnerable and do not have throwaway funds.

Background

Last year, the legislature passed HB694 in response to a shocking report that Maryland hospitals collected an estimated \$60 million from patients who should have received free medical care in both 2017 and 2018. These numbers were uncovered by the Health Services Cost Review Commission in an analysis produced last year as a requirement of legislation passed by this committee in 2020.

HB694 required the Health Services Cost Review Commission (HSCRC) to convene a workgroup of all stakeholders to figure out the best process for refunding patients while also maintaining patient privacy and ensuring safe-addresses were used for survivors of intimate partner violence. The workgroup met throughout the fall and there was a consensus among all parties that patients should be refunded.

SB0404

SB0404 is a technical bill that implements the best process to refund patients. The bill simply provides support to assist affected consumers through the Office of the Attorney General and requires a report on progress to the General Assembly. This is important for accountability purposes.

SB0404 ultimately puts hard-earned cash back in the hands of low-income Marylanders who were robbed by Maryland hospitals that were supposed to care for them not only from a health standpoint, but the entire process of the stay which includes the financial end. This bill gives hospitals the opportunity to start making things right.

For these reasons, I urge an **FAVORABLE REPORT** on **SB0404**.

Respectfully submitted,



Sarahia Benn
(Policy Foundation of Maryland, EMD Maryland)

(Dedicated to Black History month)

“Of all the forms of inequality, injustice in health is the most shocking and inhumane.”

— [Martin Luther King Jr.](#)

Testimony on SB404_HB333.pdf

Uploaded by: Zackary Berger

Position: FAV



END MEDICAL DEBT MARYLAND

Testimony on SB404/HB333

Hospitals - Financial Assistance - Medical Bill Reimbursement

Position: FAVORABLE

To Chair Griffith and Members of the Senate Finance Committee;
To Chair Pena-Melnyk and Members of the Health & Government Operations
Committee:

I am Zackary Berger, a resident of Maryland District 43A and a primary care physician. I am a member of the End Medical Debt Maryland coalition, and I support SB404/HB333 which will implement a process to reimburse hospital patients who were supposed to receive free healthcare but were wrongfully billed by a hospital.

I treat underinsured and uninsured Baltimoreans and Marylanders. I am often distressed and outraged how hospitals steal money from my patients, actively undermining their health and by extension the wellbeing of their families, neighborhoods, cities and state. This must stop, and this bill will help.

Background

Last year, the legislature passed HB694 in response to a shocking report that Maryland hospitals collected an estimated \$60 million from patients who should have received free medical care in both 2017 and 2018. These numbers were uncovered by the Health Services Cost Review Commission in an analysis produced last year as a requirement of legislation passed by this committee in 2020.

HB694 required the Health Services Cost Review Commission (HSCRC) to convene a workgroup of all stakeholders to figure out the best process for refunding patients while also maintaining patient privacy and ensuring safe-addresses were used for survivors of intimate partner violence. The workgroup met throughout the fall and there was a consensus among all parties that patients should be refunded.

SB404/HB333

This year's bill is a technical bill that implements the best process to refund patients. The bill simply also provides support to assist affected consumers through the Office of the Attorney General and requires a report on progress to the General Assembly.

SB404/HB333 ultimately 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. This bill 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 on SB404/HB333. Thank you.

Sincerely,

Zackary Berger MD PhD
Maryland District 43A
Member of Jews United for Justice and Baltimore DSA

Ricarra Jones SB404HB333 Testimony FWA.pdf

Uploaded by: Brige Dumais

Position: FWA



Testimony on SB404/HB333
Hospitals – Financial Assistance – Medical Bill Reimbursement Process
Position: Favorable with Amendment

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 SB404/HB333 and recommends the Committee issue a favorable report, and support the amendment proposed by the Attorney General's office.

Last year, this committee passed HB694/CH683 in response 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. HB694/CH683 formed a workgroup led by the Health Services Cost Review Commission that met throughout the fall to determine the best way to refund patients in accordance with HIPPA and to address other privacy concerns. A representative from 1199SEIU was part of the workgroup. We are pleased that there was consensus in the workgroup that patients eligible for free care should be refunded.

This year's bill, SB404/HB333, simply implements the process that was hashed out in the HSCRC workgroup.

Currently the bill states that if hospitals do not reach a 10% threshold of refunds, they will not need to continue issuing them. 1199SEIU supports an amendment requested by the Attorney General's office to include an enforcement mechanism in this bill. Due to consensus in the HSCRC workgroup about the need to refund patients, we believe the hospitals are acting in good faith to issue refunds. However we also believe it is a good idea to have enforcement in the bill to ensure the hospitals are incentivized to meet the threshold.

When passed, SB404/HB333 will put hard-earned cash back in the hands of low-income Marylanders. 1199SEIU respectfully urges this committee to demonstrate its commitment to Maryland patients by issuing a favorable report on SB404/HB333 with an amendment to include an enforcement mechanism that will ensure hospitals meet the threshold for refunding patients.

In Unity,

Ricarra Jones, Political Director
ricarra.jones@1199.org

SB0404.LOSWA.pdf

Uploaded by: Heather Forsyth

Position: FWA

ANTHONY G. BROWN
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STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

Writer's Direct Dial No.
410.576.6513

February 22, 2023

TO: The Honorable Melony Griffith
Chair, Senate Finance Committee

FROM: Office of the Attorney General, Health Education and Advocacy Unit
and Consumer Protection Division

RE: SB0404 – Hospitals – Financial Assistance – Medical Bill
Reimbursement Process: **Support with Amendments**

The Office of the Attorney General's Consumer Protection Division (the Division) and Health Education and Advocacy Unit (HEAU) supports with amendments SB0404, which provides 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 improperly collected payments from free-care eligible patients was 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 did not, on its own, identify the free-care eligible patients who made payments they should never have been asked to make.

This bill follows legislation passed last year (HB694) which required the 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 to identify the free-care eligible patients; determine how data should be shared or disclosed to effectuate reimbursement while maintaining federal and state confidentiality laws; and provide reimbursement to the patients.

In the interim, the stakeholders met and the resulting HSCRC report, [Hospitals - Financial Assistance - Medical Bill Reimbursement](#), identified four options for the General Assembly's consideration, each reflecting a balance of policy and process goals. This bill implements Option 3, which we support because it reduces burden on patients, hospitals, the HSCRC and the HIE, and reduces the amount of data sharing required by the other options. The HEAU welcomes the opportunity to assist consumers in obtaining refunds but anticipates little assistance will be needed given the streamlined process this bill proposes – patients identified as free-care eligible will be issued refunds except in the limited instance where hospitals deemed the patient ineligible for free care, at the time of the service, based on an asset test. This streamlined process avoids putting consumers and hospitals back where they were in 2017-2021 when apparent failures of the financial assistance processes occurred. Consumers should not be required to supply asset information from up to 6 years ago in order to receive refunds. If asset tests are imposed, consumers, hospitals and the HEAU as the agency assisting consumers, will face an unreasonable burden to establish the patients' entitlement to financial assistance that should have been provided years ago.

The HEAU does offer several amendments to this bill to enable the HEAU to provide the assistance mandated by the bill, including provisions requiring information sharing with consumer authorization, and an enforcement provision. The House sponsor, Delegate Charkoudin, has agreed to these amendments. Those substantive amendments are attached.

The additional amendment HEAU requested which is not part of the sponsored amendments is to strike lines 16-19 on page 3. We believe this provision creates disincentives for hospitals and/or state agencies to implement the refund process in the manner intended by the legislature, and there is no feasible oversight to mitigate this risk.

Patients who otherwise would qualify for refunds should not lose out on the opportunity for the refund should the process be less effective than planned.

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.

We urge your favorable report on SB0404.

cc: Senators Antonio Hayes and Steve Hershey

HEAU REQUESTED AMENDMENTS

1. On Page 3, line 3, after “failed asset test” insert “FOR THE IDENTIFIED DATE OF SERVICE”
2. On Page 3, line 32, after “(2)” insert “NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE COMMISSION, THE DEPARTMENT, THE DEPARTMENT OF HUMAN SERVICES, THE OFFICE OF THE COMPTROLLER, THE STATE DEPARTMENT OF EDUCATION, AND EACH HOSPITAL, UPON RECEIPT OF THE PATIENT’S EXECUTED AUTHORIZATION FOR RELEASE OF MEDICAL INFORMATION FORM PROVIDED BY THE HEALTH EDUCATION AND ADVOCACY UNIT, OR OTHER AUTHORIZATION FORM REQUIRED THE DEPARTMENT OF HUMAN SERVICES, THE OFFICE OF THE COMPTROLLER, THE STATE DEPARTMENT OF EDUCATION, SHALL DISCLOSE TO THE HEALTH EDUCATION AND ADVOCACY UNIT, RELEVANT INFORMATION NECESSARY FOR THE HEALTH EDUCATION AND ADVOCACY UNIT TO ASSIST PATIENTS IN OBTAINING REIMBURSEMENT UNDER SUBSECTION (A) OF THIS SECTION. (3) WHENEVER THE HEALTH EDUCATION AND ADVOCACY UNIT REQUESTS INFORMATION FROM THE COMMISSION, THE DEPARTMENT, THE DEPARTMENT OF HUMAN SERVICES, THE OFFICE OF THE COMPTROLLER, THE STATE DEPARTMENT OF EDUCATION, OR HOSPITAL IN ORDER TO ASSIST A PATIENT IN OBTAINING REIMBURSEMENT UNDER SUBSECTION (A) OF THIS SECTION, THE COMMISSION, THE DEPARTMENT, THE DEPARTMENT OF HUMAN SERVICES, THE OFFICE OF THE COMPTROLLER, THE STATE DEPARTMENT OF EDUCATION, OR HOSPITAL SHALL PROVIDE THE INFORMATION TO THE HEALTH EDUCATION AND ADVOCACY UNIT NO LATER THAN 10 WORKING DAYS FROM THE DATE OF RECEIPT OF THE REQUEST. ”

Rationale: The HEAU will be unable to assist consumers without the cooperation and relevant data of respective stakeholders.

3. On page 5, at the end of line 26, insert “(I) *FINE*. (1) EXCEPT AS PROVIDED IN SECTION (C)(1)(III), IF A HOSPITAL FAILS TO PROVIDE REFUNDS TO PATIENTS WHO QUALIFY UNDER SUBSECTION (G)(2), THE COMMISSION MAY IMPOSE A FINE NOT TO EXCEED \$50,000 PER VIOLATION. (2) BEFORE IMPOSING A FINE, THE COMMISSION SHALL CONSIDER THE APPROPRIATENESS OF THE FINE IN RELATION TO THE SEVERITY OF THE VIOLATION. (3) A VIOLATION BY A HOSPITAL OF THIS SUBTITLE IS AN UNFAIR, DECEPTIVE, AND ABUSIVE TRADE PRACTICE AND IS SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS OF TITLE 13 OF THE COMMERCIAL LAW ARTICLE.

Rationale: This section lacks a specific enforcement provision like that included in § 19-214.3.

4. Codified or uncodified language making HEAU a member of the HSCRC Workgroup.

2023 SB404 Written Testimony.pdf

Uploaded by: Deborah Brocato

Position: UNF

Opposition Statement SB404

Hospitals - Financial Assistance - Medical Bill Reimbursement Process

Deborah Brocato, Legislative Consultant

Maryland Right to Life

We Oppose SB404

On behalf of our 200,000 followers across the state, we respectfully object to SB404. This bill expands the Maryland Medical Assistance Program through reimbursement to hospitals for services paid for by a patient in cash for which the patient is reimbursed. We oppose funds for this program being used for abortion services. We oppose expanding the Maryland Medical Assistance Program without excluding funding for abortion.

The Maryland Medical Assistance Program and the Maryland Children's Health Program (MHCP) are the two primary programs used for publicly funded reimbursements to abortion providers in Maryland. The Maryland Department of Legislative Services, in their *Analysis of the FY 2022 Maryland Executive Budget*, shows that Maryland taxpayers are forced to fund elective abortions. For the years 2018, 2019 and 2020, over \$6 million was spent each year for almost 10,000 abortions each year. In that same report, we see that for Fiscal 2020, less than 10 of the almost 10,000 abortions were due to rape, incest or to save the life of the mother.

Medical Assistance Expenditures on Abortion Language attached to the Medicaid budget since 1979 authorizes the use of State funds to pay for abortions under specific circumstances. Specifically, a physician or surgeon must certify that, based on his or her professional opinion, the procedure is necessary. Similar language has been attached to the appropriation for MCHP since its advent in Fiscal 1999. Without language to prohibit abortion funding, hospitals will be reimbursed for providing abortion services.

Abortion is about revenue. The state of Maryland forces taxpayers to subsidize the abortion industry through direct Maryland Medicaid reimbursements to abortion providers, through various state grants and contracts, and through pass-through funding in various state programs. Health insurance carriers are required to provide reproductive health coverage to participate with the Maryland Health Choice program.

Caring for pregnant women and girls costs money. Maryland is failing pregnant women and girls by favoring the funding of the abortion industry over access to abortion alternatives, including the Maryland Safe Haven Program (see Department of Human Services), affordable adoption programs or referral to quality prenatal care and family planning services that do not promote abortion. The Assembly promotes legislation that funds the killing of unborn children instead of legislation that respects and protects life. According to the Guttmacher Institute, a pro-abortion research organization, a baby is killed by abortion every 97 seconds, about 2,700 babies killed by abortion every day.



Opposition Statement , pagSB404e 2 of 2

Hospitals - Financial Assistance - Medical Bill Reimbursement Process

Deborah Brocato, Legislative Consultant

Maryland Right to Life

Maryland is one of only 4 states that forces taxpayer funding of abortion. Maryland taxpayers are forced to subsidize the abortion industry through direct Maryland Medicaid reimbursements to abortion providers, through various state grants and contracts, and through pass-through funding in various state programs. Health insurance carriers are required to provide reproductive health coverage to participate with the Maryland Health Choice program. Programs involved in reproductive health policy include the Maryland State Department of Education, Maryland Department of Health, Maryland Family Planning Program, maternal and Child Health Bureau, the Children's Cabinet, Maryland Council on School Based Health Centers, Maryland for the Advancement of School Based Health, Community Health Resource Commission, Maryland Children's Health Program (MCHP) and Maryland Stem Cell Research Fund.

Abortion is not healthcare and abortion is never medically necessary. A miscarriage is the ending of a pregnancy *after* the baby has died; an ectopic pregnancy is not a viable pregnancy and the baby cannot continue to develop. Abortion is the destruction of a developing human being and often causes physical and psychological injury to the mother. In the black community, abortion has reached epidemic proportions with half of pregnancies of Black women ending in abortion. The abortion industry has long targeted the Black community with 78% of abortion clinics located in minority communities. **Abortion is the leading killer of black lives.** See www.BlackGenocide.org.

Americans oppose taxpayer funding of abortion. Taxpayers should not be forced to fund elective abortions, which make up the vast majority of abortions committed in Maryland. The 2023 Marist poll shows that 60% of Americans, pro-life and pro-choice, oppose taxpayer funding of abortion. 81% of Americans favor public funds being prioritized for health and family planning services that save the lives of mothers and their children including programs for improving maternal health and birth and delivery outcomes, well baby care and parenting classes.

Funding restrictions are constitutional. The Supreme Court of the United States, in *Dobbs v. Jackson Women's Health* (2022), overturned *Roe v. Wade* (1973) and held that there is no right to abortion found in the Constitution of the United States. As early as 1980 the Supreme Court affirmed in *Harris v. McRae*, that *Roe* had created a limitation on government, not a government funding entitlement. The Court ruled that the government may distinguish between abortion and other procedures in funding decisions -- noting that "*no other procedure involves the purposeful termination of a potential life*", and held that there is "*no limitation on the authority of a State to make a value judgment favoring childbirth over abortion, and to implement that judgment by the allocation of public funds.*"

Maryland urges the addition of an amendment to exclude any funding for this bill to be used for abortion purposes. Without this amendment, we ask that you oppose this **SB404** in its entirety.

6 - SB 404 - FIN - HSCRC - LOI.pdf

Uploaded by: State of Maryland (MD)

Position: INFO

February 23, 2023

The Honorable Melony Griffith
Chair, Senate Finance Committee
Miller Senate Office Building, 3 East Wing
11 Bladen St., Annapolis, MD 21401

RE: Senate Bill 404 – Hospitals – Financial Assistance – Medical Bill Reimbursement Process – Letter of Information

Dear Chair Griffith and Committee Members:

The Health Services Cost Review Commission (HSCRC) submits this letter of information for Senate Bill 404 titled, “Hospitals – Financial Assistance – Medical Bill Reimbursement.” The purpose of this letter is to provide information related to the hospital medical bill reimbursement process.

Medical debt is an important issue. Unlike other consumer debt, most consumers have limited control over whether or not they accrue medical debt. Medical debt can have a direct impact on non-medical determinants of health by limiting a patient’s ability to pay for housing, food, or utilities. Medical debt may also impact the consumer’s willingness to access needed health care in the future.¹ National studies show that the burden of medical debt can disproportionately impact minority communities, young adults, and low income individuals. Because of Maryland’s strong laws and policies related to insurance coverage (including the expansion of Medicaid and the subsidies offered through the Maryland Health Benefit Exchange), hospital financial assistance, and hospital debt collection, medical debt is lower in Maryland than in many other states.² The General Assembly has taken clear action to further strengthen these laws in recent years.

SB 404 amends Health General §19-214.4, which was added to Maryland law in 2022. Health General §19-214.4 requires HSCRC, in coordination with the Department of Human Services, the State-designated Health

¹<https://www.sycamoreinstitute.org/wp-content/uploads/2021/05/2021.05.19-FINAL-How-Medical-Debt-Affects-Health.pdf>

² According to the federal Consumer Finance Protection Bureau (CFPB), about 12 percent of individuals in the CFPB’s Consumer Credit Panel in Maryland had medical debt tradelines on their credit file as of December 2020. Thirty-three states (including D.C.) had higher percentages of individuals with medical debt in their credit files. The CFPB calculated the median and mean balances of medical debt for these individuals. Only Massachusetts had a lower median balance (D.C. has the same median balance as Maryland). For mean balances, only 9 states had lower amounts.
https://files.consumerfinance.gov/f/documents/cfpb_medical-debt-burden-in-the-united-states_report_2022-03.pdf

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William Henderson
Director
Medical Economics & Data Analytics

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. This law applies to hospital services provided between 2017 and 2021. HSCRC staff have done extensive analysis of the requirements of Health General §19-214.4 over the past year and provided feedback to the legislature through testimony on Chapter 683 (2022) and a report to the legislature from December 2022 on the refund process required by the law.³

Hospital Financial Assistance Requirements in Maryland

Each hospital in Maryland is required by law to provide financial assistance to the following groups of patients:

1. *Free Care:* Hospitals must provide free care to patients with incomes at or below 200 percent of the federal poverty level (FPL) and to patients who receives benefits through the federal Supplemental Nutrition Assistance Program; Maryland's State Energy Assistance Program; the federal Special Supplemental Food Program for Women, Infants, and Children; or live in a household with a child enrolled in the free and reduced cost meal program.
2. *Reduced Cost Care:* Hospitals must provide reduced-cost care to patients with income between 200 and 300 percent of FPL. Reduced-cost care is also available to patients with income below 500 percent of FPL who have a substantial amount of medical debt.⁴

Hospital financial assistance is available to both insured and uninsured patients for their out-of-pocket costs.⁵ Financial assistance is available regardless of the patient's citizenship or immigration status.

HSCRC believes that access to hospital services for low income patients provided by these requirements is a key benefit of the Maryland Health Model. HSCRC builds equitable funding for this uncompensated care into all-payer rates it sets for hospitals through the uncompensated care fund. This ensures that hospitals that serve proportionally larger numbers of patients who need financial assistance have the financial resources to provide that support to patients, which, in turn, sustains access to quality hospital services for those patients.

Amounts refunded may be lower than expected

HSCRC believes that the amount of funding that is refunded to patients under this bill will be lower than some stakeholders expect because of limitations in the data sources used to generate that estimate. In 2020, HSCRC released a legislatively required report⁶ that evaluated the impact on uncompensated care (UCC) costs of proposed changes to the state law that requires hospitals to provide financial assistance to patients (Health General §19-214.1). This report analyzed data from 2017 through 2018. The purpose of this report was not to determine hospital compliance with financial assistance law in these years, but rather to estimate future impact of changes to financial assistance policy in the future. This meant that when HSCRC made assumptions to generate the

³ [https://dlslibrary.state.md.us/publications/Exec/MDH/HSCRC/HG19-214.4\(c\)_2022.pdf](https://dlslibrary.state.md.us/publications/Exec/MDH/HSCRC/HG19-214.4(c)_2022.pdf)

⁴ For patients with a family income between 300% and 500% FPL, the family must have medical debt, incurred by the family over a 12-month period, that exceeds 25% of family income. Health General § 19-214.1.

⁵ Hospital financial assistance is not available to patients in the Medicaid program (as they have no out-of-pocket expense).

⁶ [https://dlslibrary.state.md.us/publications/Exec/MDH/HSCRC/HB1420Ch470\(2\)\(2020\).pdf](https://dlslibrary.state.md.us/publications/Exec/MDH/HSCRC/HB1420Ch470(2)(2020).pdf)

estimate, those assumptions were designed to generate a reasonable estimate of future costs in order to ensure that policy makers understood the extent of the financial impact of the proposed policy changes.

As a component of the analysis in that report, HSCRC estimated hospitals' current performance in providing free hospital care in 2017 and 2018. HSCRC found that approximately one (1) percent of total hospital charges to individuals who likely qualified for free care were paid by those individuals. Due to limitations in existing data sets, HSCRC could not definitively determine the amount of charges that were paid. To generate the estimate, HSCRC used tax data from the Office of the Comptroller to identify patient incomes. However, approximately 50 percent of the patients did not have income data from the Office of the Comptroller, so HSCRC made assumptions about their income. For example, national data shows that 20 percent of Medicare beneficiaries have incomes below 200 percent FPL, so HSCRC applied this rate to the available data on Medicare beneficiaries. However, HSCRC could not identify specifically which Medicare beneficiaries had low incomes if there was no tax data for that beneficiary.

HSCRC also made assumptions about whether or not a patient paid a bill. The financial data used in the report includes the claim amount, but does not include whether or not that claim was paid by the patient or insurer or denied by the insurer, in which case the patient may have had no out-of-pocket costs. HSCRC also had to make assumptions about patient cost sharing amounts. Each assumption increases the possibility that the final estimate deviates from the real financial impact on patients. For these reasons, the amount refunded under Health General 19-214.4 may be lower than the estimated amount in HSCRC's 2020 report.

In addition, as the distance between the 2017-2021 time period and the implementation of the financial assistance reimbursement process expands, it will become harder to provide refunds due to difficulty in contacting patients whose contact information may have changed in the interim period.

Finally, approximately 30 percent of hospitals in Maryland use asset tests to determine eligibility for financial assistance. HSCRC was not able to determine, from the data used in the 2020 report, which patients had been denied financial assistance through a legitimate application of a hospital's asset test policy. As 2017 gets further back in time, it will be harder for patients and hospitals to determine the patient's assets in those years. 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 under Health General 19-214.4 as passed in 2022. 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.

For these reasons, HSCRC supports the provisions of the bill that allow for incremental implementation of the refund process and evaluation of the process before continuing implementation, and would prefer that the trigger provision be set at 10 percent of the estimated amount (as in the current bill language) rather than five (5) percent, as HSCRC expects will be proposed in amendments. While patients should receive the funds they are entitled to, if the process results in minimal refunds to patients, it is reasonable to determine that continuing to implement the process is not a good investment of State or hospital resources.

An Estimate of an Error Rate is not Clear Evidence of Wrong-Doing

The HSCRC does not have any evidence that the estimated one (1) percent error rate represents intentional or negligent actions by hospitals. HSCRC's analysis in the 2020 report was not designed for compliance purposes, but rather to estimate future policy costs. HSCRC agrees with advocates that patients who are entitled to financial assistance should get that support. However, HSCRC also acknowledges that complex business processes, like billing, are expected to have a small error rate. The error rate itself is not evidence of wrongdoing on the part of the hospitals. In addition, HSCRC cannot distinguish whether the errors are due to actions (or inactions) of the hospitals or due to patients not providing hospitals with the necessary information for the hospitals to determine if the patient is eligible for financial assistance.

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 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. Despite these efforts by hospitals, patients may not realize that financial assistance is available to them. In addition, a patient must request to be considered for financial assistance and provide requested documents to the hospital. To determine which patients are eligible for financial assistance in accordance with law, hospitals must have information about the patient's income level or participation in the social service programs named above. While hospitals are required to use information that is available to them to make a determination of financial assistance, hospitals often do not have access to the information needed to make this determination without patient-supplied information. For example, hospitals do not have access to patient income data or social services program enrollment unless the patient provides that information to the hospital. Thus, if a patient has not applied for financial assistance and provided income or social services enrollment information, the hospital may not have had the information necessary to determine if that person was eligible.

Stakeholder Engagement to Develop the Refund Process

Following the passage of Health General 19-214.4 in 2022, HSCRC engaged stakeholders in an attempt to develop the refund process required by Health General 19-214.4. In the Spring of 2022, HSCRC met individually with DHS, CRISP, the Office of the Comptroller, MHA, and a representative of domestic violence advocates. In August 2022, HSCRC convened a workgroup that included consumer advocates, a representative of domestic violence advocates, a representative from a union, and hospital revenue cycle experts, in addition to statutorily required stakeholders. The workgroup met three times between August and November 2022. After each meeting, stakeholders were asked to submit written feedback on a number of topics.

Challenges with implementing Health General 19-214.4

Through the workgroup process, HSCRC identified a number of challenges with implementing Health General §19-214.4. HSCRC submitted a [report](#) to the legislature in December 2022 which describes these challenges in detail. SB 404 addresses many of the challenges raised in HSCRC's report, including most legal barriers to sharing identifiable patient information.⁷

⁷ The exception is data protected by 42 C.F.R. Part 2, a federal regulation related to substance use treatment data. HSCRC does not believe that the legislature can, through state statute, authorize the sharing of this data. The only way to share this data for the purpose of the refunds contemplated by SB

There are continued concerns about the complexity of the refund process under Health General §19-214.4. HSCRC has completed a flow chart of the likely data flow for the refund process contemplated by SB 404 (see attached) to provide an illustration of this complexity. While SB 404 will give hospitals and State agencies the legal authority to share individually identifiable data, this bill does not eliminate the real-world risk that data will be impermissibly disclosed or misused at some stage in this complicated process, potentially harming tax payers, social services beneficiaries, and/or hospital patients. Whether the benefit of the refund process outweighs the risk of potential misuse of personal data is worthy of careful consideration by the Committee.

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 me at katie.wunderlich@maryland.gov or Megan Renfrew, Associate Director of External Affairs, at 410-382-3855 or megan.renfrew1@maryland.gov.

Sincerely,



Katie Wunderlich
Executive Director

Attachment: Option 3 Flow Chart

404 would be to request consent to share the data from each patient. Requiring that hospitals seek this consent will add significant time and complexity to the reimbursement process. The Committee should balance these factors with the benefit of providing refunds to these patients in determining how to address the issue of including these patients.

Option 3 from HSCRC Report

