



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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- 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