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STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

February 12, 2024

TO: Joseline A. Pena-Melnyk, Chair
Health and Government Operations Committee

FR: Office of the Attorney General

RE: House Bill 673 – Real Property – Contract Liens – Medical Debt (**SUPPORT**)

The Office of the Attorney General writes in support of HB 673 which seeks to protect the primary residence of each Marylander from liens, seizure, or forced sale to satisfy medical debt.

No Marylander should be forced to liquidate their home to pay for essential health care. According to a poll published by the Kaiser Family Foundation in June 2022, more than 40% of adults in the U.S. (*more than 100 million adults*) have some form of medical debt; half of whom owed more than \$10,000. What makes medical debt distinct from other types of debt is that it is often unavoidable, unplanned, and involuntary. The Kaiser poll also revealed that medical debt is born most heavily on people who are low income, Black or Hispanic, and suffer from chronic illness. (Another reason for high medical debt included people who are uninsured, particularly in states that have not expanded Medicaid under the Affordable Care Act. Fortunately, Maryland is not among those states.) But even people with insurance can experience crushing medical debt due to high deductibles and out-of-pocket costs, fees not covered by insurance, and unexpected bills due to a lack of cost transparency or hidden costs (see House Bills 1148 and 1149).

Requiring Marylanders to relinquish their homes in satisfaction of medical debts they largely have no control over does not, we believe, represent our state's values. Support of HB673 is consistent with the goals and priorities of the Office of the Attorney General to promote policies and initiatives that combat systemic inequities and protect the rights, responsibilities, and privileges of all Marylanders.

We urge this committee to join us in support of HB673 and issue a favorable report.