



Testimony
HB673
Health & Government Operations Committee
Real Property-Contract Liens-Medical Debt
Position: FAVORABLE

Dear Chairperson Pena-Melnyk & Members of the Health & Government Operations Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

HB673 bans the practice of placing a lien on someone's home for a medical debt. The principle behind the bill is simple: no one should face a lien on their home because they sought medical care for themselves or a loved one.

Maryland nonprofit hospitals have sued low-income patients for medical debt including those who should have received free care. In fact, over a nine-year period, nonprofit hospitals placed liens on more than 4000 Maryland households¹. The majority of households that were sued for debt were located in low-income communities of color. Hospital debt is particularly devastating for black and Hispanic households.

At the same time, outpatient services, dental, diagnostic and private practice medical care are a source of unaffordable medical debt for many Maryland households. Patients report that 44% of medical debt comes from an outpatient visit². The costs for these treatments are rising, in part due to the role of private equity which is purchasing practices, raising rates and reducing overhead costs. Similarly, these practices have sued and placed liens on patient's homes.

A lien makes it difficult to secure credit, refinance, or lower mortgage payments which harms patients' financial security and further compromises physical health due to stress.

HB673 removes the ability to collect a medical debt by placing a lien on a home. Communities of color should not be at risk because of medical debt.

We urge a favorable report on HB673.

Submitted by Claudia Wilson Randall, Executive Director

¹ <https://www.nationalnursesunited.org/preying-on-patients>

² September 2023 Gonzales Poll Commissioned by Economic Action Maryland (then Maryland Consumer Rights Coalition)