

February 14, 2025

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

**RE: Senate Bill 614 - Consumer Protection - Credit Reporting -
Medical Debt (Fair Medical Debt Reporting Act) – Letter of
Information**

Dear Chair Beidle and Committee Members:

The Health Services Cost Review Commission (HSCRC) submits this letter of information for Senate Bill (SB) 614 titled, “Consumer Protection - Credit Reporting - Medical Debt (Fair Medical Debt Reporting Act).”

SB 614 prohibits people from using information on medical debt information in consumer reports to make a determination of the creditworthiness of a consumer. In addition, this bill prohibits a health care facility (including a hospital), a health care practitioner, or an ambulance service from disclosing medical debt to a consumer reporting agency. Health care facilities (including a hospital), health care practitioners, or ambulance services are also required to include a term in contracts with collection entities to prohibit the disclosure of medical debt information to a consumer reporting agency by the collection entity.

Hospital Reports to Consumer Reporting Agencies

Maryland law sets limitations on how hospitals can collect debts owed by patients ([Health General §19-214.2](#), Maryland Code). This law contains provisions related to credit reporting (see attachment). SB 614 will provide broader consumer protections from hospital medical debt than current law.

Hospitals and Debt Collectors

Under existing Maryland Law, hospitals are not allowed to sell debt to collection entities (i.e. debt collectors). This prohibition was intended as a patient protection, to ensure that hospitals cannot sell debt to debt collectors to avoid patient protections established in

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Maryland law. If hospitals use debt collection entities to help them with debt collection, the debt collector must follow the same statutory rules that apply to the hospital. This is similar to the requirements of SB 614.

National Changes to Medical Debt Credit Reporting

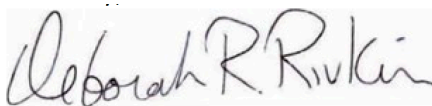
In 2023, major national credit reporting agencies voluntarily stopped reporting information in medical debt that was under \$500. In early January, the Federal Consumer Financial Protection Bureau released final regulations to ban the inclusion of medical bills from credit reports. The federal regulations have now been put on hold and likely will not go into effect in March as planned. SB 614 will provide state-level protections that are similar to those federal regulations.

Sponsor Amendment

HSCRC thanks the sponsor for offering amendments that will strengthen consumer protections and ensure consistency and clarity in the law, including requiring hospitals to request deletion of any adverse information provided to consumer reporting agencies before the effective date of SB 614.

The HSCRC remains committed to consumer protections for medical debt and financial assistance. If you have any questions or if I may provide you with any further information, please do not hesitate to contact me at 410-991-7422 or deborah.rivkin@maryland.gov, or Jon Kromm, Executive Director, at jon.kromm@maryland.gov.

Sincerely,



Deborah Rivkin

Director, Government Affairs

