



TESTIMONY FOR HB0268 Hospitals Financial Assistance and Collection of Debts Policies

Bill Sponsor: Delegate Charkoudian

Committee: Health and Government Operations

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Aileen Alex, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of HB0268 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

HB0268 mandates that hospitals reduce a patient's out-of-pocket expenses based on the family's income. For all patients, HB0268 prevents the filing of civil actions to collect debts of \$500 or less and extends the interest-free payment period to 240 days.

The brilliance of this legislation lies in its graduated reduction of patients' out-of-pocket expenses for co-payments, coinsurance, and deductibles. It starts with free medically necessary care for patients with family incomes at or below 200% of the federal poverty level. Even patients with family incomes up to 500% of the federal poverty level would see a 35% reduction. Families with children enrolled in social programs, such as free and reduced-cost meals, are eligible for reductions based on household income.

For all patients, hospitals are prohibited from filing civil actions to collect debts of \$500 or less. Any interest on a medical debt cannot accrue before 240 days after the initial bill is provided, up from 180 days.

HB0268 is beneficial for Marylanders for two reasons. It reduces the chance our residents forgo needed medical care because of the out-of-pocket expense. It also reduces the risk of families falling into bankruptcy due to medical debt.

Therefore, the Maryland Legislative Coalition wholeheartedly supports this bill and recommends a FAVORABLE report in committee.