



## **HB 268: Hospitals - Financial Assistance and Collection of Debts - Policies**

### **Testimony of the Maryland Independent Living Network**

#### **SUPPORT – Favorable**

House Health & Government Operations Committee, January 29, 2025

The Maryland Independent Living Network is a coalition of the Maryland Statewide Independent Living Council and the seven Maryland-based Centers for Independent Living (CIL). CILs are created by federal law. CILs work to enhance the civil rights and quality of services for people with disabilities. There are seven CILs located throughout Maryland, operated by and for people with disabilities. CILs provide Information and Referral, Advocacy, Peer Support, Independent Living Skills training, and Transition Services to individuals with disabilities in their communities.

The Independent Living Network submits this written testimony in **support** of HB 268.

HB 268 alters provisions of law that govern a hospital's financial assistance and collection of debts policies.

The proposed reforms in HB 268 would provide critical support to Marylanders with disabilities, who face significantly higher healthcare costs than others.

Expanding the definition of medical debt to include co-pays, coinsurance and deductibles would allow more individuals to qualify for financial hardship assistance.

Payment plans for all patients are key, as half of Marylanders with disabilities lived in financially strained households in 2019. Payment plans enable individuals to manage medical bills without risking financial crises.

Establishing a minimum subsidy level would create a safety net for those relying on public benefits but still burdened by out-of-pocket costs. Limiting hospitals from reporting small debts to credit agencies would safeguard credit scores, which are vital for securing housing and financial stability, especially since 20% of people with disabilities already have past-due medical bills.

Finally, banning lawsuits for hospital debts of \$500 or less would reduce unnecessary stress, allowing individuals to focus on their health.

Together, these reforms promote equitable healthcare, alleviate financial hardships, and enhance the quality of life for Marylanders with disabilities

We appreciate the consideration of these comments. Accordingly, the Maryland Independent Living Network strongly **supports** HB 268.

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