



**SB 349 - Medical Debt - Complaints for Money Judgment and Real Property Liens
Senate Judicial Proceedings Committee**

January 29, 2025

SUPPORT

Chair Smith, Vice-Chair and members of the committee thank you for the opportunity to submit testimony in support of Senate Bill 349. This bill will protect Marylanders from having a lien placed on their home due to medical debt.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

In 2021, the General Assembly enacted the Medical Debt Protection Act ([SB 514](#)), which introduced critical safeguards, including prohibiting hospitals from placing liens on patients' homes to collect medical debt. SB 349 extends these protections by preventing private healthcare providers from placing liens on patients' homes to recover unpaid medical bills.

Medical debt is different from other types of debt because of the nature of medical emergencies and the absolute necessity to address adverse health conditions. When an individual's home is threatened or lost due to a home lien, they face a variety of challenges that drastically impact their ability to provide for themselves and their family. When medical emergencies lead to financial hardships, it can take years for individuals or families to regain stability. During this time, children are negatively affected, housing becomes unstable, and jobs are either more difficult to obtain or are harder to keep. It makes it more difficult for people to pay their debts, because they will have to refocus their finances on more immediate needs. This practice puts people into a cycle of debt that leads to bankruptcy, homelessness, and has an overall devastating financial impact that can take years to overcome.

SB 349 addresses this issue by prohibiting liens on primary residences for medical debt. This ensures protection for primary residences and applies exclusively to medically necessary procedures. Liens make it harder for homeowners to secure credit, refinance their homes, or access home equity through lines of credit. Liens may also appear on credit reports, depending on the debt amount, further exacerbating financial instability by restricting access to additional credit and resources.

Thus, we encourage you to return a favorable report for SB 349.

Creating Assets, Savings and Hope