



Maryland  
Hospital Association

**Senate Bill 404 - Hospitals - Financial Assistance - Medical Bill Reimbursement Process**

**Position: *Support***  
February 23, 2023  
Senate Finance Committee

**MHA Position**

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 404. Maryland hospitals have only one core mission: to provide the best patient care possible. Hospitals believe every person should receive the care they need without financial worry or hardship. Maryland hospitals make every effort to inform patients about available financial assistance, including free or reduced-cost care. That includes helping patients enroll in Medicaid or other insurance options and to set up reasonable payment options when needed. Over the past three legislative sessions the General Assembly acted to strengthen Maryland's already robust requirements around financial assistance and billing.

The reimbursement process prescribed in SB 404 results from recommendations in the Health Services Cost Review Commission's (HSCRC) "Free Hospital Care Refund Process" report, which stems from House Bill 694 of the 2022 legislative session. HSCRC convened stakeholders including the Comptroller's Office, Department of Human Services (DHS), and MHA, to develop a process to identify and reimburse patients who may have been billed and paid out-of-pocket for hospital services while unknowingly eligible for free care.

MHA was actively involved in the work group over the interim. Early deliberations confirmed significant gaps in information across parties. Various state agencies have a component of data needed to determine eligibility for free or reduced-cost care, but no state agency has complete information, and hospitals must rely on patients to share data. If a patient does not provide this information, the hospital is likely unable to determine eligibility.

Maryland hospitals acknowledge that if a patient was billed for services when they were eligible for free care it was done unknowingly. This bill will facilitate data sharing necessary to identify these patients. If a patient paid a bill they should not have received, they will be refunded.

While HSCRC did not recommend a specific process to share data, MHA agrees with the provisions in SB 404. While "Option 3" (see attached) places an extensive data collection and data sharing burden on hospitals in the midst of severe workforce shortages, we are supportive because we are a partner in this work.

SB 404 would require hospitals to identify all patients who paid out of pocket for services rendered between 2017 and 2021 and share this data and safe addresses with the Office of the

Comptroller. The Office of the Comptroller would then match this data with available tax information to identify patients with income at or below 200% of the federal poverty level. This data would be used to send letters to patients to inform them that they are eligible for reimbursement. The Comptroller's Office would also share this information with DHS and the Department of Education to match with patients enrolled in the Energy Assistance, Supplemental Nutrition Assistance Program, and/or free and reduced cost meal programs. These individuals would be considered eligible for free care. Patients could then share these letters with the hospitals where they received services to obtain reimbursement if out-of-pocket payments were made.

Protecting the privacy of patients and their data is of the utmost importance for our hospitals. Even with safeguards in place, exchanging data among state agencies and hospitals increases the risk of a breach. We appreciate the bill acknowledges sharing data must be done in accordance with state and federal laws. The hospital field will work closely with HSCRC and state partners over the interim to implement this process accordingly.

Further, we hope the appropriate state agencies and stakeholders will continue to collaborate on opportunities to reduce consumer cost exposure and ease barriers to accessing care that result from aggressive payer practices and underinsurance.

For the aforementioned reasons, we respectfully request a *favorable* report on SB 404.

For more information, please contact:  
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