

HB 694
Medical Debt Protection – Part 2

In 2020, HB 1420 required a report from the Health Services Cost Review Commission. Among other findings, the report found that “approximately 1% of total hospital charges to individuals who likely qualify for free care are paid by those individuals (this amounts to approximately \$60 million statewide).” That is, *hospitals likely collected \$60 million per year in 2017 and 2018, from individuals who qualified for free care.*

This bill creates a process to inform these individuals that they may have qualified for free care at the time of care and to provide them with a path to get reimbursement. This bill requires hospitals to reimburse patients who qualified and for free care, but were billed and paid in 2017 and 2018.

Process:

- The HSCRC will share billing/payment data with the Comptroller’s office.
- The Comptroller’s office will identify who was eligible for free care based on income and pass the remaining data on to DHS
- DHS will identify who was eligible for free care based on presumptive eligibility:
 - Households with children in the free or reduced meals program
 - Supplemental Nutrition Assistance Program (SNAP) participants
 - Low-income-household energy assistance program participants
 - Primary Adult Care Program (PAC) participants, until such time as inpatient benefits are added to the PAC benefit package;
 - Women, Infants and Children (WIC) participants
- Those identified as eligible (either by the Comptroller’s office or DHS) will be sent a postcard by the respective agency who identified them. This postcard will outline the year in which they may have been eligible and will instruct them to reach out to the hospital to confirm if they are owed a reimbursement.
- Considering the use of Comptroller and DHS data, applicants will not need to confirm income status, the hospital need only check if the applicant paid a bill in the year in question and if an asset test was used to determine eligibility.
- Hospitals will reimburse the agencies for effort spent based on the percentage of patients billed by their hospital.

The first set of postcards will be mailed in July 2022 based on the two years analyzed in the study- 2017 and 2018. If a minimum threshold of 5% of participants elect for reimbursement, the process will begin for individuals who received hospital services in fiscal years 2019, 2020, and 2021 with postcards being mailed for these years in July of 2023.

For more information please contact:

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