

## **Medical Bill Reimbursement (HB)**

This bill sets up a refund process for patients eligible for free healthcare, but who paid a hospital bill.

### **Background:**

A legislatively-mandated report from the Health Services Cost Review Commission found that Maryland hospitals likely collected \$60 million per year in 2017 and 2018, from individuals who qualified for free care.

In 2022, another legislatively-mandated task force was created to find and implement a process of reimbursing individuals who qualified for free care, but were charged and paid those charges from 2017 to 2021.

### **The Solution:**

**This bill incorporates the recommendations of the task force into law to implement the refund process for those patients who were eligible for free care, but paid a bill.**

- Hospitals will identify all patients who paid an out-of-pocket expense for dates of service between 2017 and 2021 and share that 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 (or MDH or MSDE as applicable).
- 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, and
  - ◆ Women, Infants and Children (WIC) participants.
- Those identified as eligible (by the offices above) will be contacted by the hospital to be informed that they may be due a refund.
- 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 provide a refund to patients who were eligible for free care but paid their bills for care between 2017 and 2021.
- Hospitals will reimburse the agencies for effort spent based on the percentage of patients billed by their hospital.

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**For more information please contact:**

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