



Maryland
Hospital Association

February 14, 2024

To: The Honorable Joseline Peña-Melnyk, Chair, House Health & Government Operations Committee

Re: Letter of Concern - House Bill 328 - Hospitals - Financial Assistance Policies - Revisions

Dear Chair Peña-Melnyk:

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment on House Bill 328. 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 and care for every person who comes through their doors—regardless of ability to pay. They make every effort to inform patients about available financial assistance, including free or reduced-cost care.

We appreciate the intent behind HB 328 but have concerns with the unintended consequences these revisions will have on Maryland's Total Cost of Care Model and future iterations of our waiver with the Centers for Medicare and Medicaid Services (CMS). As we enter negotiations with CMS for our next waiver period, we ask legislators and the Health Services Cost Review Commission not to mandate further changes to hospitals' financial assistance and debt collection policies until we have gathered data from the statutes enacted in 2020, 2021, 2022, and 2023—for which we are awaiting regulations in some cases.

HB 328 would remove the option for hospitals to align their policies on reduced-cost medically necessary care and payment plans in accordance with the mission and service area of the hospital. This provision allows hospitals to prioritize the delivery of care based on local needs and demographics, existing community health needs assessments, and maintaining access to health care services for all Marylanders. Hospitals need flexibility to set financial assistance policies to ensure they prudently allocate resources to the communities they serve.

HB 328 also would prohibit hospitals from considering household monetary assets to determine eligibility for free and reduced-cost care. Asset tests are a common practice for determining whether an individual or family qualifies for financial services. For example, both Maryland Medicaid and Social Security Supplemental Security Income require asset tests to determine eligibility.

MHA recognizes the importance of advancing affordable health care for all Marylanders, and we are working with our members to identify areas of potential compromise, if necessary. We look forward to working with the sponsor and other stakeholders on this important issue.

For these reasons, we request a unfavorable report on HB 328.

For more information, please contact:
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