



**Maryland Chamber of Commerce**

## **Legislative Position**

**SB 776  
FAVOR W/  
AMENDS**

**Finance  
Committee**

**2/26/09**

### **SB 776**

#### **HSCRC – Financial Assistance and Debt Collection Policies**

**Bill Summary:** This bill would standardize the policies of Maryland hospitals for free and reduced-price care and place limitations on debt collection policies.

**Chamber Position:** The Maryland Chamber of Commerce supports this bill with amendments. Since employers pay a significant share of hospital costs through health insurance subsidies for employees, we have a vital interest in the amount of bad debt that is charged off to uncompensated care. We support the standardization of procedures for charity care and the notification of patients of those standards.

Standards for collection of bad debt should balance the need to ensure incentives to collect payments from patients who can afford to pay while not placing unreasonable burdens on low income families. If we lose the incentives for patients to pay their bills, bad debt and uncompensated care will skyrocket. Under current practices, the HSCRC reports that uncompensated care was already \$980 million in 2008 (pg. 6, 2/10/09 Report to Gov.).

Therefore, we suggest amending the language on page 5, lines 16 -17 so that lien practices for primary residences would be established by the HSCRC rather than prohibited by statute. There may be instances where persons have substantial assets and those assets, including their primary residence, should be subject to a lien. Certainly the State of Maryland would not overlook substantial assets in collecting taxes due.

Finally, in light of the significant financial impact on businesses that will stem from increasing bad debt and uncompensated care, we respectfully request on page 6, line 10 that the HSCRC workgroup on debt collection include a representative of business among their members.

For these reasons, the Maryland Chamber urges that this bill be given a favorable report with amendments.

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AMENDMENTS TO SENATE BILL NO. 776  
(First Reading File Bill)

AMENDMENT NO. 1

On page 5, strike lines 16 and 17 and substitute:

“(3) PROVIDE THAT THE HOSPITAL MAY ONLY PLACE A LIEN ON A PRIMARY RESIDENCE CONSISTENT WITH REGULATIONS ADOPTED BY THE COMMISSION.”.

AMENDMENT NO. 2

On page 6, in line 10, after “collection.” insert “The workgroup shall include representation from hospital, patient and business organizations.”.