

HOUSE BILL 405

J3

5lr0988

By: **Prince George's County Delegation**

Introduced and read first time: January 16, 2025

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County – Hospitals – Sale of Patient Debt**

3 **PG 402–25**

4 FOR the purpose of authorizing a hospital to sell the medical debt of patients if the debt is
5 sold to Prince George's County for the purpose of canceling the debt; and generally
6 relating to the sale of patient debt to Prince George's County.

7 BY repealing and reenacting, without amendments,

8 Article – Health – General

9 Section 19–214.2(a)

10 Annotated Code of Maryland

11 (2023 Replacement Volume and 2024 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Health – General

14 Section 19–214.2(b), (m), and (n)

15 Annotated Code of Maryland

16 (2023 Replacement Volume and 2024 Supplement)

17 BY adding to

18 Article – Health – General

19 Section 19–214.2(m)

20 Annotated Code of Maryland

21 (2023 Replacement Volume and 2024 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
23 That the Laws of Maryland read as follows:

24 **Article – Health – General**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 19–214.2.

2 (a) (1) Each hospital annually shall submit to the Commission:

3 (i) At times prescribed by the Commission, the hospital’s policy on
4 the collection of debts owed by patients; and

5 (ii) A report including:

6 1. The total number of patients by race or ethnicity, gender,
7 and zip code of residence against whom the hospital, or a debt collector used by the hospital,
8 filed an action to collect a debt owed on a hospital bill;

9 2. The total number of patients by race or ethnicity, gender,
10 and zip code of residence with respect to whom the hospital has and has not reported or
11 classified a bad debt; and

12 3. The total dollar amount of the charges for hospital services
13 provided to patients but not collected by the hospital for patients covered by insurance,
14 including the out-of-pocket costs for patients covered by insurance, and patients without
15 insurance.

16 (2) The Commission shall post the information submitted under paragraph
17 (1) of this subsection on its website.

18 (b) The policy submitted under subsection (a)(1) of this section shall:

19 (1) Provide for active oversight by the hospital of any contract for collection
20 of debts on behalf of the hospital;

21 (2) **[Prohibit] EXCEPT AS PROVIDED IN SUBSECTION (M) OF THIS**
22 **SECTION, PROHIBIT** the hospital from selling any debt;

23 (3) Prohibit the charging of interest on bills incurred by self-pay patients
24 before a court judgment is obtained;

25 (4) Describe in detail the consideration by the hospital of patient income,
26 assets, and other criteria;

27 (5) Prohibit the hospital from reporting to a consumer reporting agency or
28 filing a civil action to collect a debt within 180 days after the initial bill is provided;

29 (6) Describe the hospital’s procedures for collecting a debt;

30 (7) Describe the circumstances in which the hospital will seek a judgment
31 against a patient;

1 (8) In accordance with subsection (c) of this section, provide for a refund of
2 amounts collected from a patient or the guarantor of a patient who was later found to be
3 eligible for free care within 240 days after the initial bill was provided;

4 (9) If the hospital has obtained a judgment against or reported adverse
5 information to a consumer reporting agency about a patient who later was found to be
6 eligible for free care within 240 days after the initial bill was provided for which the
7 judgment was awarded or the adverse information was reported, require the hospital to
8 seek to vacate the judgment or strike the adverse information;

9 (10) Provide a mechanism for a patient to:

10 (i) Request the hospital to reconsider the denial of free or
11 reduced-cost care;

12 (ii) File with the hospital a complaint against the hospital or a debt
13 collector used by the hospital regarding the handling of the patient's bill; and

14 (iii) Allow the patient and the hospital to mutually agree to modify
15 the terms of a payment plan offered under subsection (e) of this section or entered into with
16 the patient; and

17 (11) Prohibit the hospital from collecting additional fees in an amount that
18 exceeds the approved charge for the hospital service as established by the Commission for
19 which the medical debt is owed on a bill for a patient who is eligible for free or
20 reduced-cost care under the hospital's financial assistance policy.

21 **(M) (1) (I) A HOSPITAL MAY SELL DEBT OWED TO THE HOSPITAL BY A**
22 **PATIENT FOR HOSPITAL SERVICES TO PRINCE GEORGE'S COUNTY FOR THE SOLE**
23 **PURPOSE OF CANCELING THE DEBT.**

24 **(II) THE CONTRACT BETWEEN THE HOSPITAL AND PRINCE**
25 **GEORGE'S COUNTY SHALL STATE THAT THE SOLE PURPOSE OF THE SALE OF THE**
26 **DEBT IS TO CANCEL THE DEBT.**

27 **(III) THE PATIENT IS NOT RESPONSIBLE TO THE HOSPITAL OR**
28 **PRINCE GEORGE'S COUNTY FOR ANY AMOUNT OF THE DEBT THAT IS SOLD UNDER**
29 **THIS SUBSECTION OR ANY INTEREST, FEES, OR COSTS ASSOCIATED WITH THE DEBT**
30 **OR THE SALE.**

31 **(2) THE COMMISSION SHALL TREAT THE AMOUNTS OF PAYMENTS TO**
32 **HOSPITALS UNDER THIS SUBSECTION AS AN OFFSET TO UNCOMPENSATED CARE**
33 **AMOUNTS REPORTED BY HOSPITALS.**

1 **(3) IF PRINCE GEORGE'S COUNTY CANCELS A PATIENT'S DEBT**
2 **UNDER THIS SUBSECTION, PRINCE GEORGE'S COUNTY SHALL NOTIFY THE PATIENT**
3 **THAT THE DEBT HAS BEEN CANCELED.**

4 **[(m)] (N)** The Commission shall review each hospital's implementation of and
5 compliance with the hospital's policies and the requirements of this section.

6 **[(n)] (O)** (1) On or before February 1 each year, beginning in 2023, the
7 Commission shall compile the information required under subsection (a) of this section and
8 prepare a medical debt collection report based on the compiled information.

9 (2) The report required under paragraph (1) of this subsection shall be:

10 (i) Made available to the public free of charge; and

11 (ii) Submitted to the Senate Finance Committee and the House
12 Health and Government Operations Committee in accordance with § 2-1257 of the State
13 Government Article.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2025.