Article - Health - General

[Previous][Next]

§19–214.2.

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

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

(ii) A report including:

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

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

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

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

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

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

(2) Prohibit the hospital from selling any debt;

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

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

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

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

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

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

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

(10) Provide a mechanism for a patient to:

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

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

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

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

(c) (1) Beginning October 1, 2010, a hospital shall provide for a refund of amounts exceeding $25 collected from a patient or the guarantor of a patient who, within a 2–year period after the date of service, was found to be eligible for free care on the date of service.

(2) A hospital may reduce the 2–year period under paragraph (1) of this subsection to no less than 30 days after the date the hospital requests information from a patient, or the guarantor of a patient, to determine the patient's

eligibility for free care at the time of service, if the hospital documents the lack of cooperation of the patient or the guarantor of a patient in providing the requested information.

(3) If a patient is enrolled in a means–tested government health care plan that requires the patient to pay out–of–pocket for hospital services, a hospital's refund policy shall provide for a refund that complies with the terms of the patient's plan.

(d) A hospital may not charge interest or fees on any debt incurred on or after the date of service by a patient who is eligible for free or reduced–cost care under § 19–214.1 of this subtitle.

(e) (1) Subject to paragraph (2) of this subsection, a hospital shall provide in writing to each patient who incurs medical debt information about the availability of an installment payment plan for the debt.

(2) A hospital shall provide the information under paragraph (1) of this subsection to the patient, the patient's family, the patient's authorized representative, or the patient's legal guardian:

(i) Before the patient is discharged;

(ii) With the hospital bill;

(iii) On request; and

(iv) In each written communication to the patient regarding collection of hospital debt.

(3) (i) The Commission shall develop guidelines, with input from stakeholders, for an income–based payment plan offered under this subsection that includes:

1. The amount of medical debt owed to the hospital;

2. The duration of the payment plan based on a patient's annual gross income;

3. Guidelines for requiring appropriate documentation of income level;

4. Guidelines for the payment amount that:

A. May not exceed 5% of the individual patient's federal or State adjusted gross monthly income; and

B. Shall consider financial hardship, as defined in § 19–214.1(a) of this subtitle;

5. Guidelines for:

A. The determination of possible interest payments for patients who do not qualify for free or reduced–cost care, which may not begin before 180 days after the due date of the first payment; and

B. A prohibition on interest payments for patients who qualify for free or reduced–cost care;

6. Guidelines for modification of a payment plan that does not create a greater financial burden on the patient; and

7. A prohibition on penalties or fees for prepayment or early payment.

(ii) A hospital may not seek legal action against a patient on a debt owed until the hospital has established and implemented a payment plan policy that complies with the guidelines developed under subparagraph (i) of this paragraph.

(4) (i) A patient shall be deemed to be compliant with a payment plan if the patient makes at least 11 scheduled monthly payments within a 12–month period.

(ii) If a patient misses a scheduled monthly payment, the patient shall contact the health care facility and identify a plan to make up the missed payment within 1 year after the date of the missed payment.

(iii) The health care facility may, but may not be required to, waive any additional missed payments that occur within a 12–month period and allow the patient to continue to participate in the income–based payment plan and not refer the outstanding balance owed to a collection agency or for legal action.

(5) (i) A hospital shall demonstrate that it attempted in good faith to meet the requirements of this subsection and the guidelines developed by the Commission under paragraph (3) of this subsection before the hospital:

1. Files an action to collect a debt owed on a hospital bill by a patient; or

2. Delegates collection activity to a debt collector for a debt owed on a hospital bill by a patient.

(ii) Subparagraph (i) of this paragraph does not prohibit a hospital from using an eligibility vendor to provide outreach to a patient for purposes of assisting the patient in qualifying for financial assistance.

(f) (1) For at least 180 days after issuing an initial patient bill, a hospital may not report adverse information about a patient to a consumer reporting agency or commence civil action against a patient for nonpayment.

(2) A hospital shall report the fulfillment of a patient's payment obligation within 60 days after the obligation is fulfilled to any consumer reporting agency to which the hospital had reported adverse information about the patient.

(3) A hospital may not report adverse information to a consumer reporting agency regarding a patient who at the time of service was uninsured or eligible for free or reduced–cost care under § 19–214.1 of this subtitle.

(4) A hospital may not report adverse information about a patient to a consumer reporting agency, commence a civil action against a patient for nonpayment, or delegate collection activity to a debt collector:

(i) If the hospital was notified in accordance with federal law by the patient or the insurance carrier that an appeal or a review of a health insurance decision is pending within the immediately preceding 60 days; or

(ii) If the hospital has completed a requested reconsideration of the denial of free or reduced–cost care that was appropriately completed by the patient within the immediately preceding 60 days.

(5) If a hospital has reported adverse information about a patient to a consumer reporting agency, the hospital shall instruct the consumer reporting agency to delete the adverse information about the patient:

(i) If the hospital was informed by the patient or the insurance carrier that an appeal or a review of a health insurance decision is pending, and until 60 days after the appeal is complete; or

(ii) Until 60 days after the hospital has completed a requested reconsideration of the denial of free or reduced–cost care.

(g) (1) A hospital may not force the sale or foreclosure of a patient's primary residence to collect a debt owed on a hospital bill.

(2) A hospital may not request a lien against a patient's primary residence in an action to collect debt owed on a hospital bill.

(3) (i) A hospital may not file an action against a patient to collect a debt owed on a hospital bill or give notice to a patient under subsection (i) of this section until after 180 days after the initial bill was provided.

(ii) If a hospital files an action to collect the debt owed on a hospital bill, the hospital may not request the issuance of or otherwise knowingly take action that would cause a court to issue:

1. A body attachment against a patient; or

2. An arrest warrant against a patient.

(4) A hospital may not request a writ of garnishment of wages or file an action that would result in an attachment of wages against a patient to collect debt owed on a hospital bill if the patient is eligible for free or reduced–cost care under § 19–214.1 of this subtitle.

(5) (i) A hospital may not make a claim against the estate of a deceased patient to collect a debt owed on a hospital bill if the deceased patient was known by the hospital to be eligible for free care under § 19–214.1 of this subtitle or if the value of the estate after tax obligations are fulfilled is less than half of the debt owed.

(ii) A hospital may offer the family of the deceased patient the ability to apply for financial assistance.

(6) A hospital may not file an action to collect a debt owed on a hospital bill by a patient until the hospital determines whether the patient is eligible for free or reduced–cost care under § 19–214.1 of this subtitle.

(h) (1) Except as provided in paragraph (2) of this subsection, a spouse or another individual may not be held liable for the debt owed on a hospital bill of an individual who is at least 18 years old.

(2) An individual may voluntarily consent to assume liability for the debt owed on a hospital bill of any other individual if the consent is:

(i) Made on a separate document signed by the individual;

(ii) Not solicited in an emergency room or during an emergency situation; and

(iii) Not required as a condition of providing any emergency or nonemergency health care services.

(i) (1) Subject to paragraph (2) of this subsection, at least 45 days before filing an action against a patient to collect on the debt owed on a hospital bill, a hospital shall send written notice of the intent to file an action to the patient.

(2) The notice required under paragraph (1) of this subsection shall:

(i) Be sent to the patient by certified mail and first–class mail;

(ii) Be in simplified language and in at least 10 point type;

(iii) Include:

1. The name and telephone number of:

A. The hospital;

B. If applicable, the debt collector; and

C. An agent of the hospital authorized to modify the terms of the payment plan, if any;

2. The amount required to cure the nonpayment of debt, including past due payments, penalties, and fees;

3. A statement recommending that the patient seek debt counseling services;

4. Telephone numbers and Internet addresses of the Health Education Advocacy Unit in the Office of the Attorney General, available to assist patients experiencing medical debt;

5. An explanation of the hospital's financial assistance policy; and

6. Any other relevant information prescribed by the Commission; and

(iv) Be provided in the patient's preferred language or, if no preferred language is specified, each language spoken by a limited English proficient population that constitutes 5% of the population within the jurisdiction in which the hospital is located as measured by the most recent federal census.

(3) The notice required under this subsection shall be accompanied by:

(i) An application for financial assistance under the hospital's financial assistance policy, along with instructions for completing the application for financial assistance, and the telephone number to call to confirm receipt of the application;

(ii) The availability of a payment plan to satisfy the medical debt that is the subject of the hospital debt collection action; and

(iii) The information sheet required under § 19–214.1(f) of this subtitle.

(j) A complaint by a hospital in an action to collect a debt owed on a hospital bill by a patient shall:

(1) Include an affidavit stating:

(i) The date on which the 180–day period required under subsection (g)(3) of this section elapsed and the nature of the nonpayment;

(ii) That a notice of intent to file an action under subsection (i) of this section:

1. Was sent to the patient and the date on which the notice was sent; and

2. Accurately reflected the contents required to be included in the notice;

(iii) That the hospital provided:

1. The patient with a copy of the information sheet on the financial assistance policy in accordance with subsection (i)(3)(ii) of this section; and

2. Notice of the financial assistance policy as documented under § 19–214.1(f) of this subtitle;

(iv) That the hospital made a determination regarding whether the patient is eligible for the hospital's financial assistance policy in accordance with § 19–214.1 of this subtitle; and

(v) That the hospital made a good–faith effort to meet the requirements of subsection (e) of this section; and

(2) Be accompanied by:

(i) The original or a certified copy of the hospital bill;

(ii) A statement of the remaining due and payable debt supported by an affidavit of the plaintiff, the hospital, or the agent or attorney of the plaintiff or hospital;

(iii) A copy of the most recent hospital bill sent to the patient;

(iv) If the defendant is eligible for federal Service Members Civil Relief Act benefits, an affidavit that the hospital is in compliance with the Act;

(v) A copy of the notice of intent to file an action on a hospital bill; and

(vi) A copy of the patient's signed certified mail acknowledgment of receipt of the written notice of intent to file an action, if received by the hospital.

(k) If a hospital delegates collection activity to a debt collector, the hospital shall:

(1) Specify the collection activity to be performed by the debt collector through an explicit authorization or contract;

(2) Require the debt collector to abide by the hospital's credit and collection policy;

(3) Specify procedures the debt collector must follow if a patient appears to qualify for financial assistance; and

(4) Require the debt collector to:

(i) In accordance with the hospital's policy, provide a mechanism for a patient to file with the hospital a complaint against the hospital or the debt collector regarding the handling of the patient's bill;

(ii) Forward the complaint to the hospital if a patient files a complaint with the debt collector; and

(iii) Along with the hospital, be jointly and severally responsible for meeting the requirements of this section.

(l) (1) The board of directors of each hospital shall review and approve the financial assistance and debt collection policies of the hospital at least every 2 years.

(2) A hospital may not alter its financial assistance or debt collection policies without approval by the board of directors.

(m) The Commission shall review each hospital's implementation of and compliance with the hospital's policies and the requirements of this section.

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

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

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

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

[Previous][Next]