Rachel Talbot Ross
Senator, District 28

THE MAINE SENATE
132nd Legislature

3 State House Station
Augusta, Maine 04333

Testimony of Senator Rachel Talbot Ross introducing

LD 1937, "An Act to Require Hospitals and Hospital-affiliated Providers to Provide Financial Assistance Programs for Medical Care"

Before the Joint Standing Committee on Health and Human Services
May 12, 2025

Good morning, Senator Ingwersen, Representative Meyer, and esteemed members of the Joint Standing Committee on Health and Human Services. My name is Rachel Talbot Ross. I represent Senate District 28, which includes part of my hometown of Portland and Peaks Island. Thank you for the opportunity to present LD 1937, "An Act to Require Hospitals and Hospital-affiliated Providers to Provide Financial Assistance Programs for Medical Care."

This bill comes to you as part of a longstanding commitment on the part of this Legislature and those before it to ease the financial burden of medical care for Mainers and Maine families, including all the good work that was done on this precise issue last year. This bill is virtually identical to an amendment that this Committee worked on last year that passed through the House and the Senate, was funded by the Appropriations Committee, but did not receive final passage due to the procedural issues that came up at the end of the last session. Last year's amendment was the product of many hours of stakeholder meetings, and extensive compromise between consumer advocates and hospitals. This is the bill before you today, the final amendment that passed through both the House and Senate, was funded off the Appropriations "table," and that both advocates and individual hospitals agreed to.

The need for action on this issue continues to be pressing. Medical debt is a major burden that often forces people to delay and sometimes forgo access to care. Not only do outstanding medical bills undermine health, but they also represent the most common type of collections. An analysis from Kaiser Family Foundation estimates that people in the U.S. owe at least $220 billion in medical debt.[1]

According to a survey released earlier this year by Consumers for Affordable Health Care, almost half of Mainers have medical debt in their household. More than one in three skipped or delayed going to a doctor when they were sick because of concerns about cost. More than three out of four Mainers with medical debt report that all or part of that debt originated from a hospital bill. Two out of three families have experienced financial impacts as a result of medical bills. Most struggle to pay for basic necessities including food, housing or heat and report being sent to and contacted by a collection agency.[2] When we

[1] https://www.kff.org/health-costs/issue-brief/the-burden-of-medical-debt-in-the-united-states/
[2] Digital Research Inc., Examining Views Toward Health Care in Maine, Consumers for Affordable Health Care, January 2025. Available at: https://drive.google.com/file/d/1of-aZWztHbCJDGZODeqoWEVvYcokHw41/view.

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hold these data up next to the stories of those who are affected, a few of which you'll hear today, we understand that this problem is pervasive and it is devastating.

Previous legislative work at the federal and state level has done much to further the effort of greater affordability. Maine's 117th Legislature passed a law in 1995 that established guidelines for a charity care program to be administered by nonprofit hospitals, with the same income guidelines as required by the federal Hill Burton Act of 1946 (formally the Hospital Survey and Construction Act). Patients would receive free medically necessary services if their incomes were up to a certain percentage of the federal poverty limit. Additionally, these guidelines mandated that hospitals investigate the coverage of the patient by any insurance or state or federal programs of medical assistance, provide notice to the public, and provide the opportunity for a fair hearing regarding eligibility for Free Care. Federal law also requires nonprofit hospitals to provide "community benefits," which in Maine, includes charity care, in exchange for their tax-exempt status that provides nonprofit hospitals with significant tax benefits.

Maine's program eligibility guidelines have not changed since that time, and with improvements in health coverage and a significant decrease in the amount of Free Care being provided by Maine hospitals since the Affordable Care Act was passed, it is now incumbent upon us to bring this program up to date, in an effort to ensure greater access to affordable health care, an accessible process for those seeking free care, and protection from medical debt and undue financial hardship.

To enable this more just and expansive vision for Mainers' experiences in seeking and finding the medical care they need and can afford, this bill does the following:

- First, this bill expands the eligibility of Maine's Free Care Program by requiring that hospitals provide free, medically necessary services to those with incomes of a higher percentage of the federal poverty level than is currently mandated, expanding the group of Mainers eligible for free care.
- Second, this bill sets the parameters for a streamlined and accessible application process for free care, in order for hospitals to best facilitate the provision of free care for eligible Mainers.
- Third, it sets forth standards for the administration of reasonable debt repayment plans and limits extraordinary collections actions, which often result in legal and financial difficulty.

First, the bill expands the eligibility of the Free Care program, such that more Mainers with low income will be eligible to receive free care. Hospitals would be required to provide free medically necessary health care services to patients whose income is equal to or less than 200% of the federal poverty level (FPL). Currently, according to rules set by the Department of Health and Human Services, hospitals are

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currently required to administer free care to those with incomes of up to 150% FPL. Again, this has not changed since 1995. Many of the state's hospitals already provide this service for patients whose incomes are up to 200% of the FPL. According to 2023 data compiled by the National Academy for State Health Policy, net charity care costs made up less than 1% of net patient revenue for 23 out of 33 Maine hospitals. Charity care represented less than 2% of net patient revenue for all hospitals in Maine.[3]

For context, the current FPL is $15,650 gross income for individuals, $21,150 for a family of two, and $26,650 for a family of four. This bill would thus facilitate the provision of free care to individuals with gross incomes up to $31,300, families of two with incomes up to $42,300, and families of three with incomes up to $53,300.

Second, the bill establishes requirements for a transparent and accessible application process, in order to ease the often-stressful undertaking for those with an outstanding hospital bill in learning about financial assistance and applying for free care. First, it establishes that hospitals must widely publicize their financial assistance programs within the community served by the hospital. This includes providing written notice of the availability of free care to all patients. It also requires hospitals to provide physical copies of the application, along with instructions for the application and a plain language summary, in conspicuous locations within the hospital. It directs the Department of Health and Human Services to develop a model application that hospitals may choose to use. It prohibits hospitals from imposing unnecessary burdensome requirements, such as requiring individuals to get application materials notarized or requesting unnecessary information from applicants. It also requires hospitals to provide an online option for people to apply for charity care.

Once a patient has been determined eligible for financial assistance, it requires a hospital to notify the patient if any service, treatment, procedure or test provided to the patient in the hospital is not covered by the hospital's financial assistance program.

By conforming to these requirements, hospitals will ensure that they meet a reasonable standard in facilitating the application process for those seeking charity care and in informing the public about these programs.

Third, it sets standards for reasonable payment of debt: specifically, hospitals must offer patients with incomes under 400% FPL an affordable payment plan with monthly payments not to exceed 3% of the

[3] National Academy of State Health Policy, Hospital Cost Tool. Available at: https://tool.nashp.org/.

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patient's monthly family income, so as to avoid burdening patients with debt that they cannot feasibly or sustainably pay off.

Finally, it provides that the Department of Health and Human Services enforce the provisions of this law and establishes a civil penalty for hospitals that knowingly or willfully violate these provisions or engage in a pattern of noncompliance.

The provisions in this bill represent essential steps that should be taken to ease the financial burden of medical debt for Mainers. Once again, I'd like to reiterate that this bill is the product of extensive negotiations and compromise between interested parties, including consumer advocates as well as hospitals. And finally, I'd like to thank the Committee for your ongoing commitment to the effort of greater affordability and access to critically needed health care in this state, and I'm happy to answer any questions you may have.

Sincerely,

Rachel Talbot Ross
State Senator, District 28
Representing part of Portland and Peaks Island

Community Catalyst

May 2024

Maine: A Foundation of Financial Assistance, but More Required to Reduce Hospital Prices and Medical Debt

Maine is a small, largely rural state. The state's policies to moderate hospital prices and reduce medical debt are not exceptional, according to Community Catalyst's compendium, though they compare favorably to the policies of many other states.[i] A law requiring hospitals to provide free care to Maine residents with incomes below a certain level is more prescriptive than other states' policies. Maine's laws also restrict some billing and collection practices that could drive medical debt and address, to some extent, price transparency and facility fees. Recent efforts to strengthen some of these policies have had mixed success.[ii]

This spotlight takes a closer look at Maine's hospital financial assistance law, its effectiveness in curbing hospital prices and reducing medical debt, and what more might be done to achieve these goals. The qualitative information in the spotlight is based on interviews with knowledgeable health advocates in the state and a review of news accounts and other public sources. Additional research and analysis would be required to reach definitive conclusions.

Overview of hospitals' prices and medical debt in Maine

Maine's health care prices are higher than average. According to a RAND study, Maine's hospital prices in 2022 were 29th highest among states – about 2.5 times what Medicare pays for hospital care.[iii] The average price for an inpatient service in 2021 was $32,462 in Maine, which is 20% higher than the average national price, according to the Health Care Cost Institute.[iv] This average price represents a substantial burden, particularly for people with no insurance or inadequate health insurance; for context, it is about half of the 2021 median household income in Maine ($64,767).[v] High hospital prices also affect individuals and families through higher insurance premiums and out-of-pocket costs, which include the deductibles, copayments, and coinsurance that are a patient's responsibility when they receive a medical service. The out-of-pocket expenses for a hospital inpatient stay averaged $1,256 in Maine in 2021, exceeding the national average by 24%.[vi]

These expenses add up and are a significant driver of medical debt in Maine. Fifteen percent of Mainers had medical debt in collection in 2022[vii]; the median level of debt in collection in Maine was $825.[viii]

Key details of the policies

Maine's financial assistance law seeks to relieve Mainers with lower incomes of the need to pay a hospital's prices to receive care. The law requires hospitals to provide free care to any Maine resident with a family income at or below 150% of the federal poverty level.[ix]

The requirement applies to all hospitals and to all residents who meet the income eligibility guideline, regardless of whether they have health insurance. A hospital may not bill a patient who has been determined eligible for free care.[x]

Maine exceeds many other states' financial assistance policies by setting a statewide income standard for free care eligibility. Maine's law does not make provisions for patients with incomes above 150% of FPL who may still find it difficult to pay large hospital bills and are at risk of acquiring medical debt. Many hospitals have their own policies for offering discounts to patients with income above the statewide free care threshold, but these policies are not standardized and not enforceable by the state.[xi] States with more expansive financial assistance policies require hospitals to offer discounts to patients further up the income scale. For example, Illinois requires discounts for patients up to 600% of FPL, and New York requires discounts up to 400%.

The Attorney General enforces compliance with the financial assistance law. The AG may prosecute violations and seek modest fines of up to $10,000. In addition, patients who are denied free care may request an administrative hearing with the Department of Health and Human Services. Patients may also bring a court action to enforce the law's requirements.[xii]

Effectiveness of the policies

Curbing hospital prices

Maine's free care law provides hospital price relief to those who qualify and access assistance. Hospitals that voluntarily offer discounts to patients with income above the free care threshold extend relief to a small additional segment of Maine residents. However, neither the mandatory policies nor the voluntary policies directly address the overall level of hospital prices in Maine. Some advocates believe that a decline in free care resulting from Maine's Medicaid expansion under the Affordable Care Act has produced a revenue gain for hospitals that has not been passed along to patients as lower prices.[xiii]

Improving affordability

Hospital care drives medical debt in Maine. Half of the Mainers responding to a 2024 survey said it was difficult to afford health care. In the same survey, nearly four in ten respondents (39%) reported having had medical debt in the past five years, and three-quarters (73%) of those said they still had debt at the time of the survey. More than half (56%) of those with debt reported that the primary source of their medical debt was a hospital or hospital-owned facility.[xiv]

Hospitals' financial assistance can prevent some debt, but many patients who would qualify for free or discounted care are not aware that assistance is available. A 2023 survey found that about half of Mainers with hospital-related medical debt did not know about free care,[xv] despite the law's requirement that hospitals inform patients when they receive services or when they are sent a bill.[xvi]

A more expansive, easily accessible hospital financial assistance law would likely reduce hospitals' contribution to medical debt, and therefore, the level of debt overall.

Enforcement

Enforcement of the financial assistance law appears to be somewhat lax. Patients rarely take advantage of the opportunity for an administrative hearing or court action when an application is denied. Informants report that the process is daunting, and it can be intimidating for individuals to challenge a large hospital. Further, there is not a good process in place for patients to make complaints to the state about a hospital improperly restricting access to assistance, such as requiring more information on the financial assistance application than the law prescribes.[xvii]

What more could/should be done to address high hospital prices and medical debt?

The Maine Office of Affordable Health Care (OAHC) was created about one year ago. It has the potential to affect hospital prices as it develops and begins to carry out its agenda. OAHC's enabling statute requires it to "analyze barriers to affordable health care and coverage and develop for consideration by the legislative oversight committee proposals on potential methods to improve health care affordability."[xviii] While hospital prices are not explicitly mentioned in the statute, they were a frequent theme of comments at a 2023 public hearing.[xix] OAHC has a small staff and no regulatory authority, but its mandate should bring focus to hospital affordability and prices in particular.

Many hospitals add fees to patient bills that are unrelated to the services the patient received. These "facility fees" can add hundreds of dollars to a bill – a significant amount, given nearly two-thirds of respondents to a recent survey said they would have difficulty paying a $500 medical bill.[xx] Newly enacted legislation in Maine requires health care facilities to post signs in their buildings and on their websites that such fees are being charged.[xxi] While this new transparency might have a modest effect on hospital prices and resulting medical debt, a stronger version had been proposed by a legislative task force in early 2024. The task force recommended that health systems be prohibited from charging any facility fees for outpatient medical facilities, telehealth providers, and other

medical services not conducted in a hospital or on a hospital campus.[xxii] The prohibition was not included in the bill the legislature passed, but it remains a possible future approach to reducing hospital prices.

In the spring of 2024, the Maine legislature passed "An Act to Require Hospitals and Hospital-affiliated Providers to Provide Financial Assistance for Medical Care" (L.D. 1955),[xxiii] but the governor did not sign the bill into law.[xxiv] The bill would have resulted in more Maine residents being eligible for free care – those with incomes up to 200% of FPL, rather than the 150% in current law. This and the other provisions of the bill would not directly affect hospital prices in Maine, but they could have an impact on affordability and the accumulation of medical debt. For example, the bill would strengthen notification and application requirements, making it more likely that a patient who qualifies for assistance would actually receive it. Also, for patients above the free care threshold and up to 400% of FPL, the bill would require hospitals to offer a payment plan that does not exceed 3% of the patient's monthly income. Finally, the bill would clarify enforcement by requiring the Department of Health and Human Services to establish a formal complaint process, including a timetable for review and specified corrective actions for hospital noncompliance. Taken together, if these provisions were to become law, they would likely reduce the prevalence and severity of medical debt in Maine.

Stakeholders in Maine feel that greater transparency in how prices are developed, both for hospital services and for drugs that hospitals acquire under the federal 340B program, would be a useful tool for moderating hospital prices. Hospitals assert that private insurers' denials of claims create the need for hospitals to increase prices to compensate for lost revenue.[xxv] An analysis of these denials – their frequency and their effect on hospital prices – could be warranted, perhaps by OAHC.

Conclusion

Maine has 33 general acute care hospitals, all of them non-profit and tax exempt,[xxvi] a status that imposes a special obligation to the communities they serve. The hospitals acknowledge this, stating it is their philosophy and practice "that medically necessary healthcare services rendered by the hospital should be available to all individuals regardless of their ability to pay."[xxvii] The obligation includes ensuring that Mainers do not suffer financial hardship because of illness requiring hospital care. State laws and hospital policies are somewhat effective in making this obligation a reality. However, there is much room for improvement, as the persistence of medical debt driven by hospital prices demonstrates. Some recent events, such as the creation of an agency to monitor and analyze health care spending, are promising. It is likely that stronger efforts targeted directly at hospital prices are needed.

[i] https://communitycatalyst.org/resource/50-states/

[ii] https://www.mainelegislature.org/LawMakerWeb/summary.asp?ID=280089493; https://cpmaine.org/2024/04/17/maine-legislature-splits-on-bills-designed-to-rein-in-burden-of-medical-debt-by-evan-popp/ .

[iii] The study computed the ratio of prices paid by private insurers with those paid by Medicare. Maine's relative price was 252 percent of what Medicare pays; the national average ratio was 254 percent. Christopher M. Whaleyet al., Prices Paid to Hospitals by Private Health Plans: Findings from Round 4 of an Employer-Led Transparency Initiative. RAND Corporation, 2022.

[iv] Health Care Cost Institute, 2021 Health Care Cost and Utilization Report, April 2023. Data files: https://healthcostinstitute.org/images/pdfs/HCCUR2021_Downloadable_Data_Files.zip

[v] U.S. Census Bureau, American Community Survey 1- Year Estimates, 2021.

[vi] Health Care Cost Institute, 2021 Health Care Cost and Utilization Report, April 2023.

[vii] Debt reported to a major credit bureau. Includes past-due credit lines that have been closed and charged-off on the creditor's books as well as unpaid bills reported to the credit bureaus that the creditor is attempting to collect.

[viii] Debt in America: An Interactive Map. The Urban Institute. https://apps.urban.org/features/debt-interactive-map/, accessed May 6, 2024.

[ix] 150 percent of FPL is $46,800 for a family of four in 2024.

[x] 10-144 C.M.R. chapter 150.

[xi] https://mainecahc.org/consumer-assistance/extra-help/freecare_and_slidingscale.html

[xii] ME Rev. Stat. Tit. 22 § 1715(2).

[xiii] Community Catalyst interviews with Maine informants.

[xiv] Digital Research, Inc. Perceptions of Health Care Affordability and Hospital Facility Fees in Maine. Survey conducted on behalf of U.S. of Care and Maine Consumers for Affordable Health Care. February 2024.

[xv] Digital Research, Inc. Views of Maine Voters on Health Care Affordability. Survey conducted on behalf of Maine Consumers for Affordable Health Care. May 2023.

[xvi] 10- 144 C.M.R. ch. 150, § 1.04.

[xvii] Community Catalyst interviews with Maine informants.

[xviii] ME Rev. Stat. Tit. 5 § 3122(3).

[xix] Advisory Council on Affordable Health Care, summarized comments from public hearing, presented at October17, 2023 meeting. https://www.maine.gov/oahc/sites/maine.gov.oahc/files/meetins/2024-03/Comment%20Summary%20Table.pdf

[xx] Digital Research, Inc. Perceptions of Health Care Affordability and Hospital Facility Fees in Maine, February 2024.

[xxi] Joe Lawler, "Maine lawmakers approve slimmed-down version of hospital facility fee bill." Portland Press Herald. Published online April 19, 2024.

[xxii] Joe Lawler, "Task force calls for reforms to regulate hidden hospital fees." Portland Press Herald. Published online February 2, 2024.

[xxiii] https://legislature.maine.gov/bills/getPDF.asp?paper=HP1257&item=2&snum=131.

[xxiv] The bill was one of 35 that were passed after the legislature's statutory adjournment data. The governor cited constitutional and fiscal reasons for declining to sign them. (Letter from Governor Janet T. Mills to the 131st Legislature of the State of Maine, May 14, 2024.).

[xxv] Community Catalyst interviews with Maine informants.

[xxvi] Maine Hospital Association, Hospital Facts. https://themha.org/OurMembers/Hospital-Facts.

[xxvii] Maine Hospital Association, Hospital Facts.

What are the income rules for free care?

Hospitals have to give free care to people who are below 150% of the Federal Poverty Level. They count your income before taxes.

They don't count:

- Food stamps
- Lump sums (like from an inheritance or lawsuit settlement)
- Income from people who live with you but aren't related to you (roommates, significant others, etc.)

Advocate for Yourself!

If your income is lower now than it was over the last year, ask the hospital to use only the last three months of your income. They can multiply that by 4 to count your annual income.

This chart shows the maximum annual income:

The 2025 Poverty Guidelines for the
48 Contiguous States and the District of Columbia
150% of the Federal Poverty Guidelines

PERSONS IN FAMILY	ANNUAL INCOME
1	$23,475
2	$31,725
3	$39,975
4	$48,225
5	$56,475
6	$64,725
7	$72,975
8	$81,225

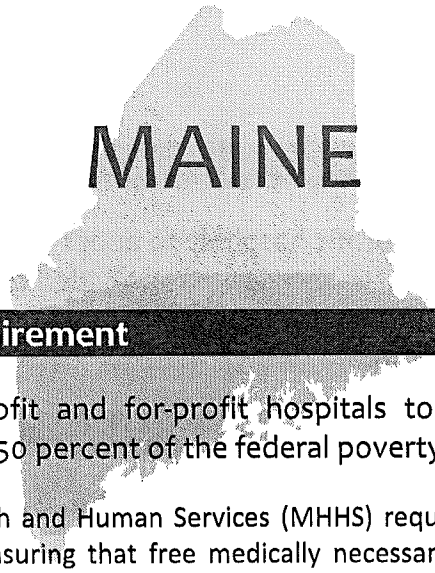
For families with more than 8 persons, add $8,250 for each additional person.

What if my income is higher than the amounts listed above?

You may still be able to get help. Many hospitals have higher income limits than the ones above. They may also have sliding fee scales where you only pay part of the cost. Ask the hospital.

Can the hospital make me apply for other programs?

Yes. The hospital can ask you to apply for MaineCare or Medicare to see if you're eligible for coverage under those programs.



Community Benefit Requirement

Maine requires both nonprofit and for-profit hospitals to provide free care to Maine residents with income up to 150 percent of the federal poverty level.

The Maine Department of Health and Human Services (MHHS) requires that each hospital adopt and implement a free care policy ensuring that free medically necessary services are provided to Maine residents with income up to 150 percent of the federal poverty level. 10-144-150 Me. Code R. §§1.01-1.02; Me. Rev. Stat. Ann. tit. 22, §401-1716.

Minimum Community Benefit Requirement

Maine does not require nonprofit hospitals to provide a specified minimum level of community benefits.

Community Benefit Reporting Requirement

Maine requires nonprofit and for-profit hospitals to report free care provided.

Maine hospitals must file with MHHS annual reports quantifying free care provided to individuals with income of less than 150 percent of the federal poverty level, free care provided beyond that required by state regulations, and patients who received free care. 10-144-150 Me. Code R. §1.08. Each hospital must also file and maintain with MHHS a current copy of its free care policy and a current copy of its posted notice of free care. 10-144-15-Me. Code R. §1.09.

Community Health Needs Assessment

Maine does not require nonprofit hospitals to perform community health needs assessments.

Community Benefit Plan/Implementation Strategy

Maine does not require nonprofit hospitals to submit community benefit plans or implementation strategies.

Financial Assistance Policy

Maine requires nonprofit and for-profit hospitals to adopt and implement a free care policy ensuring that free medically necessary services are provided to Maine residents with income up to 150 percent of the federal poverty level. 10-144-150 Me. Code R. §§1.01-1.02(c) (2007); Me. Rev. Stat. Ann. tit. 22, §401-1716.

Financial Assistance Policy Dissemination

Maine requires nonprofit and for-profit hospitals to post and provide to patients information about the availability of free care.

Maine requires that hospitals post notices that include specified information about the availability of free care in admitting areas, waiting rooms, business offices, and outpatient reception areas. 10-144-150 Code Me. R. §1.04. Hospitals must also provide patients with individual written notice of the availability of free care upon admission, before discharge, or accompanying the patient's bill. 10-144-150Code Me. R. §1.04. Effective 2014, a hospital is required to provide information regarding its charity care policy to any uninsured patient who requests an estimate of the cost of a medical service. Me. Rev. Stat. Ann. tit. 22, §401-1718-C.

Limitations on Charges, Billing, and Collections

Maine law limits nonprofit hospital billing and collection practices.

Maine law requires hospitals and other health care providers to notify consumers of the availability of any payment arrangements offered. In addition, a payment arrangement offered by a hospital must provide a consumer with the ability to "reasonably rehabilitate, cure, or remedy" the default status of a medical debt under terms established by the hospital. These must include (but are not limited to) the option to pay in full or make six consecutive and timely monthly payments. Me. Rev. Stat. tit. 9-A, §5-116-A.

Income Tax Exemption

Maine law exempts non-profit hospitals from state income tax.

Maine law exempts from state income tax organizations that are exempt from federal income tax under Internal Revenue Code §501(c). Me. Rev. Stat. tit. 36, §801-5102(6),(8).

Property Tax Exemption

Maine law exempts the property of charitable institutions from state property tax.

Maine law generally exempts from state property tax the real and personal property "owned and occupied or used solely for their own purposes" by charitable institutions. Me. Rev. Stat. tit. 36, §105-

652(1)(A). Maine also exempts from state property tax personal and real property "leased by and occupied or used solely for its own purposes" by an organization that is exempt from taxation under Internal Revenue Code §501 and is licensed as a charitable hospital, health maintenance organization, or blood bank. However, for tax years beginning on or after April 1, 2012, this exemption will no longer apply to real property. Me. Rev. Stat. tit. 36, §105-652(1)(K).

Sales Tax Exemption

Maine law exempts nonprofit hospitals from state sales and use tax.

Maine law exempts from state sales and use tax sales of property or services to incorporated hospitals for use in connection with their charitable purposes. Me. Rev. Stat. tit. 36, §211-1760(16)(a); Me. Rev. Stat. tit. 36, §211-1760-C.

L.D. 1955

Date: (Filing No. H-)

HEALTH AND HUMAN SERVICES

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE

HOUSE OF REPRESENTATIVES

131ST LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT " " to H.P. 1257, L.D. 1955, "An Act to Require Hospitals and Hospital-affiliated Providers to Provide Financial Assistance for Medical Care"

Amend the bill by striking out the title and substituting the following:

'An Act to Require Hospitals to Provide Accessible Financial Assistance for Medical Care'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 22 MRSA §1716, as enacted by PL 1995, c. 653, Pt. B, §7 and affected by §8 and enacted by c. 696, Pt. A, §36, is repealed and the following enacted in its place:

§1716. Charity care and financial assistance programs

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Charity care" means free health care services provided by hospitals to patients in accordance with the requirements of subsection 2.

B. "Family income" means the cumulative income of a group of 2 or more persons related by birth, marriage or adoption who reside together and among whom there are legal responsibilities for support; all such related persons are considered as one family. For the purposes of this definition, "family income" includes:

(1) Money wages and salaries before any deductions;

(2) Net receipts from nonfarm or farm self-employment. Net receipts are receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses;

(3) Regular payments from social security, railroad retirement, unemployment compensation, workers' compensation, strike benefits from union funds and veterans' benefits;

(4) Public assistance including Temporary Assistance to Needy Families, supplemental security income and general assistance money payments;

(5) Training stipends;

(6) Alimony, child support and military family allotments or other regular support from an absent family member or someone not living in the household;

(7) Private pensions, government employee pensions and regular insurance or annuity payments;

(8) Dividends, interest, rents, royalties or periodic receipts from estates or trusts; and

(9) Net gambling or lottery winnings.

For the purposes of this definition, "family income" does not include:

(1) Capital gains;

(2) Any liquid assets, including withdrawals from a bank or proceeds from the sale of property;

(3) Tax refunds;

(4) Gifts, loans and lump-sum inheritances;

(5) One-time insurance payments or other one-time compensation for injury;

(6) Noncash benefits such as the employer-paid or union-paid portion of health insurance or other employee fringe benefits;

(7) The value of food and fuel produced and consumed on farms and the imputed value of rent from owner-occupied nonfarm or farm housing; and

(8) Federal noncash benefit programs, including Medicare, Medicaid, food stamps, school lunches and housing assistance.

C. "Federal poverty level" has the same meaning as in section 3762, subsection 1, paragraph C.

D. "Financial assistance program" means a program administered by a hospital to provide patients with free or reduced-cost health care services and includes but is not limited to charity care.

E. "Household income" means the adjusted gross income plus any excludible foreign-earned income and tax-exempt interest received in the most recent taxable year of a tax filer, the tax filer's spouse and dependents.

F. "State resident" means an individual:

(1) Living in the State with the intent to remain in the State indefinitely; or

(2) Who enters the State with a permanent, temporary, seasonal or other job commitment or who is seeking employment.

"State resident" does not include an individual who is in the State temporarily as a tourist or visitor.

2. Hospital to provide care. A hospital shall, in accordance with rules adopted by the department and consistent with the Hill-Burton Act codified at 42 United States Code,

Section 291, et seq. (1995), provide free health care services to eligible patients who are state residents in accordance with this section. Upon admission or, in cases of emergency admission, before discharge of a patient, a hospital shall investigate the coverage of the patient by any insurance or state or federal programs of medical assistance. A hospital shall provide free, medically necessary services for patients whose income is equal to or less than 200% of the federal poverty level. A hospital shall adopt a modified adjusted gross income methodology as described in 42 Code of Federal Regulations, Section 435.603(e) in the calculation of countable income. Rules adopted pursuant to this section must be consistent with the requirements of the United States Internal Revenue Code of 1986, Section 501(r) and any federal regulations implementing those requirements.

3. Applications and eligibility for financial assistance. A hospital, in accordance with rules adopted under subsection 2:

A. May use an application form developed by the department, which must be deemed compliant with the requirements of this subsection and which the department shall translate into any language spoken by 5% of the population of the State or 1,000 people in the State, whichever is less;

B. May not require notarization of any application materials or required supporting documents. A hospital may include on an application for financial assistance a requirement for an applicant to attest to the accuracy of the information submitted, as well as a statement that any information determined to be false will result in a denial of financial assistance and financial responsibility for charges for services provided by the hospital and that knowing submission of false information is unlawful;

C. Shall accept documentation specified by the department by rule that may be used as proof that the patient is a state resident;

D. May not solicit from an applicant for charity care provided in accordance with this section information regarding any assets or income that are not used to calculate modified adjusted gross income as described in 42 Code of Federal Regulations, Section 435.603(e);

E. Shall provide interpretation services to patients with limited English proficiency and those who are deaf or hard of hearing;

F. Shall provide versions of the charity care application and summary under subsection 4, paragraph A translated into any language spoken by 5% of the population of the State or 1,000 people in the State, whichever is less, as well as any additional languages spoken by 5% of the community served by the hospital or 1,000 people in the community served by the hospital, whichever is less;

G. Shall determine a patient unable to pay for hospital services and eligible for charity care when the family income of the patient, as calculated by either of the following methods, is not more than the applicable income guidelines established in subsection 2:

(1) Multiplying by 4 the patient's family income for the 3 months preceding the determination of eligibility; or

(2) Using the patient's actual family income for the 12 months preceding the determination of eligibility.

If one method is inapplicable, the other method must be applied prior to determining that a patient is ineligible for charity care;

H. Shall determine eligibility based upon the patient's income at the time the application is submitted;

I. Shall, within 15 days of receiving an application, notify the patient to clearly explain the information or documentation necessary to complete the application. The hospital shall provide the patient with a reasonable amount of time that is no less than 30 days following notification to the patient of any information needed to complete the application before denying the application based on incomplete information. The hospital shall determine eligibility and inform the patient of the eligibility determination within 30 days from the date a completed application is submitted;

J. Shall provide each applicant who requests charity care and is denied it, in whole or in part, a written and dated statement of the reasons for the denial when the denial is made and shall provide to a patient who is found ineligible for charity care, in whole or in part, information regarding the right to request a fair hearing from the department regarding the patient's eligibility for charity care; and

K. Shall provide to a patient who is found ineligible for charity care information regarding the right to request a fair hearing from the department regarding the patient's eligibility for charity care.

4. Notice and publication requirements. In accordance with rules adopted by the department, a hospital shall widely publicize its financial assistance programs within the community served by the hospital, including by:

A. Publishing a summary of the financial assistance programs written in plain language, including a summary of services not covered by financial assistance programs;

B. Providing physical copies of the plain language summary under paragraph A, application and any application instructions in conspicuous locations within the hospital, including admission, registration and waiting areas;

C. Posting a full, accessible and downloadable version of the application on the hospital's publicly accessible website;

D. Including on all plain language summaries and notices and application instructions, excluding billing statements, information regarding the hospital's financial assistance program and information regarding the availability of no-cost assistance with applying for financial assistance and health coverage programs through the Health Insurance Consumer Assistance Program, as established in Title 24-A, section 4326; and

E. Providing information on the availability of financial assistance on all billing statements sent to a patient, including, how to apply for financial assistance, a publicly accessible website where an individual may download a copy of the application and a phone number that an individual may call to request a paper copy of the application.

5. Noncovered services. In accordance with rules adopted by the department, a hospital shall inform a patient who is determined to be eligible for financial assistance if any part of a medical service, treatment, procedure or test provided or administered to the patient in the hospital is not covered by the hospital's financial assistance programs. A

hospital may not bill a patient for a service if the hospital failed to provide the patient with advance notice that a medical service, treatment, procedure or test is not covered under the hospital's financial assistance programs. A hospital may bill a patient's insurance for a medical service, treatment, procedure or test for which the hospital is prohibited from billing the patient under this section.

6. Reasonable payment plans; maximum out-of-pocket payments. In accordance with rules adopted by the department, a hospital shall offer patients with documented household incomes that do not exceed 400% of the federal poverty level, payment plans that do not exceed 3% of the patient's monthly income that is not exempt from attachment or garnishment under state law.

7. Bill disputes. A hospital shall include on a billing statement sent to a patient information regarding how to dispute a charge. If the contact information for disputing a charge is distinct from the contact information for paying or otherwise settling a bill, the contact information for the individual or entity charged with handling disputed charges must be provided.

8. Notice. With respect to inpatient services, each hospital shall provide individual written notice of the availability of charity care to each patient upon admission or, in the case of emergency admission, before discharge. With respect to outpatient services, each hospital shall either include with the patient's bill a copy of an individual notice of the availability of charity care or shall provide a copy of the individual notice at the time service is provided. The individual notice must provide a telephone number to request a paper application, the website address where an individual can submit an online application, the income guidelines to qualify for financial assistance and any other information specified by the department.

9. Online application. A hospital shall provide an online option through which an applicant may file an application for charity care. The online option must provide an e-mail response to the user that an application has been received. The hospital shall provide an option for a patient to request that an application be mailed to the patient.

10. Enforcement. This subsection governs enforcement of this section.

A. The department shall:

(1) Establish a process for a patient to submit a complaint of hospital noncompliance with this section;

(2) Conduct a review within 30 days of receiving a complaint regarding noncompliance with this section; and

(3) Require a corrective action of a hospital, if the department determines that the hospital is not in compliance, which may include:

(a) Measures to inform the patient about the noncompliance; and

(b) Financial correction.

B. If the department determines that a hospital knowingly or willfully violated this section or engaged in a pattern of noncompliance with this section, the department may, through the Office of the Attorney General, bring a civil action against the hospital for a penalty not to exceed $1,000.

11. Rulemaking. The department shall adopt rules to carry out the purposes of this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. Department to adopt rules. By July 1, 2025, the Department of Health and Human Services shall adopt rules pursuant to the Maine Revised Statutes, Title 22, section 1716, subsection 11 to implement the requirements of this Act. The rules must include a provision limiting a patient's right to request an administrative hearing to within 60 days after the date of the written notification of the action under section 1716 that the patient wishes to appeal.

Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

HEALTH AND HUMAN SERVICES, DEPARTMENT OF

Division of Licensing and Certification Z036

Initiative: Provides one-time funding for the cost of translation services for financial eligibility applications.

GENERAL FUND	**2023-24**	**2024-25**
All Other	$0	$26,325
GENERAL FUND TOTAL	$0	$26,325

OTHER SPECIAL REVENUE FUNDS	**2023-24**	**2024-25**
All Other	$0	$41,175
OTHER SPECIAL REVENUE FUNDS TOTAL	$0	$41,175

Division of Licensing and Certification Z036

Initiative: Provides funding for one half-time Social Services Program Specialist II to oversee the development of the application and associated translated versions as well as ongoing work ensuring adherence to regulatory requirements.

GENERAL FUND	**2023-24**	**2024-25**
Personal Services	$0	$20,938
All Other	$0	$2,647
GENERAL FUND TOTAL	$0	$23,585

OTHER SPECIAL REVENUE FUNDS	**2023-24**	**2024-25**
POSITIONS - LEGISLATIVE COUNT	0.000	0.500
Personal Services	$0	$32,749
All Other	$0	$6,054
OTHER SPECIAL REVENUE FUNDS TOTAL	$0	$38,803

HEALTH AND HUMAN SERVICES, DEPARTMENT OF DEPARTMENT TOTALS	2023-24	2024-25
GENERAL FUND	$0	$49,910
OTHER SPECIAL REVENUE FUNDS	$0	$79,978
DEPARTMENT TOTAL - ALL FUNDS	$0	$129,888

Sec. 4. Effective date. This Act takes effect January 1, 2025.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment makes the following changes to the bill.

1. It removes references to "hospital-affiliated providers."

2. It adds definitions for "charity care" and "financial assistance program."

3. It clarifies that tourists and visitors to Maine are not state residents.

4. It adds language allowing hospitals to use an application form developed by the Department of Health and Human Services, which the department must translate into any language spoken by 5% of the population of the State, or 1,000 people in the State, whichever is less.

5. It adds language allowing hospitals to include on an application for financial assistance a requirement for an applicant to attest to the accuracy of the information submitted and a statement that any information determined to be false will result in a denial of financial assistance and financial responsibility for services provided and that knowing submission of false information is unlawful.

6. It replaces language requiring hospitals to translate documents into any language spoken by significant populations of nonnative English speakers served by the hospital or residing in the community served by the hospital with language requiring translation of the charity care application and summary into languages spoken by 5% of the population of the State, or 1,000 people in the State, whichever is less, as well as any additional languages spoken by 5% of the community served by the hospital or 1,000 people in the community served by the hospital, whichever is less.

7. It adds language to include a requirement for hospitals to provide interpretation for deaf and hard-of-hearing patients.

8. It removes language stating that hospitals have an affirmative duty to investigate and determine a patient's eligibility for charity care with language that provides that hospitals must determine a patient unable to pay for hospital services and eligible for charity care when the family income of the patient, as calculated by the methods provided in the amendment, is not more than the applicable income guidelines.

9. It removes language requiring hospitals to accept and process a financial assistance application submitted by a patient at any time.

10. It replaces language requiring hospitals to determine eligibility for financial assistance based upon the patient's income at the time of the application or the patient's income at the time of the provision of the health care service, whichever is less, with language requiring hospitals to determine eligibility for financial assistance based upon the patient's income at the time of the application.

11. It removes language requiring hospitals to determine eligibility for financial assistance within 15 days from the date a completed application is submitted.

12. It changes from 10 days to 15 days the time frame within which a hospital must notify the patient to clearly explain what information or documentation is needed to complete the application and adds language requiring a hospital to inform the patient of the eligibility determination within 30 days from the date a completed application is submitted.

13. It adds language clarifying that a hospital may investigate the insurance coverage of a patient at any time and may bill insurance for services provided during the period for which the patient remains eligible for charity care.

14. It changes the language regarding the right to fair hearings to make clear that a hospital is required to provide to a patient who is found ineligible for charity care information regarding the right to request a fair hearing from the department regarding the patient's eligibility for charity care.

15. It removes language allowing patients to reapply for financial assistance at any time following a denial.

16. It clarifies that the required summary of financial assistance programs must include a summary of services not covered by financial assistance programs.

17. It removes the language prohibiting a hospital from billing a patient when the hospital has not provided a good faith estimate of the cost of a service.

18. It adds language stating that a hospital may bill a patient's insurance for a medical service, treatment, procedure or test for which the hospital is prohibited from billing the patient when the hospital fails to provide notice to the patient that the service is not covered under that hospital's financial assistance programs.

19. It removes the requirement that hospitals offer payment plans of at least 2 years duration and provides that a hospital must offer, for patients with household incomes that do not exceed 400% of the federal poverty level, a payment plan not to exceed 3% of the patient's monthly income that is not exempt from attachment or garnishment under Maine law.

20. It removes the language regarding limitations of billing and collections, except that it adds language stating that a hospital must provide individual written notice of the availability of charity care to each patient upon admission for inpatient services and, for outpatient services, include with the patient's bill a copy of an individual notice of the availability of charity care or provide a copy of the individual notice at the time service is provided.

21. It adds language requiring a hospital to provide an online option through which an applicant may file an application for charity care. It also requires the hospital to provide an option for a patient to request that an application be mailed to them.

22. It adds language stating that a hospital must include on a billing statement sent to a patient information regarding how to dispute a charge. If the contact information for disputing a charge is distinct from the contact information for paying or otherwise settling a bill, the contact information for the individual or entity charged with handling disputed charges must be provided.

23. It removes the language regarding compliance with federal price transparency requirements.

24. It directs the department to adopt routine technical rules to implement the requirements of this legislation and to include a provision limiting a patient's right to request an administrative hearing to within 60 days of the date of the written notification of the action the patient wishes to appeal.

25. It adds an appropriations and allocations section.

26. It adds a future effective date of January 1, 2025.

FISCAL NOTE REQUIRED

(See attached)