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Legislative Document

No. 1937

S.P. 755

In Senate, May 6, 2025

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

Reference to the Committee on Health Coverage, Insurance and Financial Services
suggested and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator TALBOT ROSS of Cumberland.
Cosponsored by Speaker FECTION of Biddeford and
Senators: BAILEY of York, BALDACCI of Penobscot, INGWERSEN of York, ROTUNDO
of Androscoggin, Representatives: GATTINE of Westbrook, MEYER of Eliot, SHAGOURY
of Hallowell, STOVER of Boothbay.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 22 MRSA §1715**, as amended by PL 2017, c. 475, Pt. A, §29, is further
3 amended to read:

4 **§1715. Access requirements applicable to certain health care providers**

5 **1. Access requirements.** Any person, including, but not limited to, an affiliated
6 interest as defined in former section 396-L, that is subject to the requirements of this
7 subsection, shall provide the services listed in paragraph C to individuals who are eligible
8 for charity care in accordance with a charity care policy adopted by the affiliate or provider
9 that is consistent with ~~rules requirements~~ applicable to hospitals under section ~~1716~~ 1716-A
10 and any rules adopted pursuant to section 1716-A. A person is subject to this subsection if
11 that person:

12 A. Is either a direct provider of major ambulatory service, as defined in former section
13 382, subsection 8-A, or is or has been required to obtain a certificate of need under
14 section 329 or former section 304 or 304-A;

15 B. Provides outpatient services as defined in former section 382, subsection 9-A; and

16 C. Provides one or more of the following services:

17 (1) Imaging services, including, but not limited to, magnetic resonance imaging,
18 computerized tomography, mammography and radiology. For purposes of this
19 section, imaging services do not include:

20 (a) Screening procedures that are not related to the diagnosis or treatment of a
21 specific condition; or

22 (b) Services when:

23 (i) The services are owned by a community health center, a physician or
24 group of physicians;

25 (ii) The services are offered solely to the patients of that center, physician
26 or group of physicians; and

27 (iii) Referrals for the purpose of performing those services are not
28 accepted from other physicians;

29 (2) Laboratory services performed by a hospital or by a medical laboratory
30 ~~licensed in accordance with the Maine Medical Laboratory Commission, by the~~
31 department or licensed by an equivalent out-of-state licensing authority, excluding
32 those licensed laboratories owned by community health centers, by a physician or
33 by a group of physicians where at which the laboratory services are offered solely
34 to the patients of that center, physician or group of physicians;

35 (3) Cardiac diagnostic services, including, but not limited to, cardiac
36 catheterization and angiography but excluding electrocardiograms and
37 electrocardiograph stress testing;

38 (4) Lithotripsy services;

39 (5) Services provided by free-standing ambulatory surgery facilities certified to
40 participate in the Medicare program; or

(6) Any other service performed in an out-patient setting requiring the purchase of medical equipment costing in the aggregate \$500,000 or more and for which the charge per unit of service is \$250 or more.

2. Enforcement. The requirements of subsection 1 are enforced through the following mechanisms.

A. Any person who knowingly violates any provision of this section or any valid order or rule made or adopted pursuant to section 1716 1716-A, or who willfully fails, neglects or refuses to perform any of the duties imposed under this section, commits a civil violation for which a forfeiture of not less than \$200 and not more than \$500 per patient may be adjudged with respect to each patient denied access unless specific penalties are elsewhere provided. Any forfeiture imposed under this section may not exceed \$5,000 in the case of the first judgment under this section against the provider, \$7,500 in the case of a 2nd judgment against the provider or \$10,000 in the case of the 3rd or subsequent judgment against the provider. The Attorney General is authorized to prosecute the civil violations.

B. Upon application of the Attorney General or any affected patient, the Superior Court or District Court has full jurisdiction to enforce the performance by providers of health care of all duties imposed upon them by this section and any valid rules adopted pursuant to section 1716 1716-A.

C. In any civil action under this section, the court, in its discretion, may allow the prevailing party, other than the Attorney General, reasonable attorney's fees and costs and the Attorney General is liable for attorney's fees and costs in the same manner as a private person.

D. It is an affirmative defense to any legal action brought under this section that the person subject to this section denied access to services on the grounds that the economic viability of the facility or practice would be jeopardized by compliance with this section.

Sec. 2. 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.

Sec. 3. 22 MRSA §1716-A is enacted to read:

§1716-A. Charity care and financial assistance programs provided by hospitals

This section applies to financial assistance programs provided by hospitals to qualifying patients, including program requirements specific to charity care.

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 under subsection 2.

B. "Family income" means the cumulative income of a patient and the patient's family. "Family income" does not include the income of any individual residing in a patient's household who is not a member of the patient's family. For the purposes of this paragraph, "family" means 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 one family.

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

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

6 E. "Income" means modified adjusted gross income as determined using the
7 methodology described in 42 Code of Federal Regulations, Section 435.603(e).

8 F. "State resident" means a person:

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

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

12 "State resident" does not include a person who is in the State temporarily as a tourist
13 or visitor.

14 **2. Hospital to provide charity care.** A hospital shall, in accordance with rules
15 adopted by the department, provide free health care services to eligible patients who are
16 state residents in accordance with this section. Upon admission of a patient, or in cases of
17 emergency admission before discharge of a patient, a hospital shall investigate the coverage
18 of the patient by any insurance or state or federal programs of medical assistance. A hospital
19 shall provide free, medically necessary services for patients whose family income is equal
20 to or less than 200% of the federal poverty level.

21 **3. Applications and eligibility requirements for financial assistance programs**
22 **generally.** The following requirements apply to financial assistance programs provided by
23 a hospital, including charity care except as otherwise provided in subsection 4. A hospital,
24 in accordance with rules adopted by the department:

25 A. May use an application form developed by the department pursuant to subsection
26 12;

27 B. May not require notarization of any application materials or supporting documents
28 required for an application. However, a hospital may include on an application for a
29 financial assistance program:

30 (1) A requirement for an applicant to attest to the accuracy of the information
31 submitted;

32 (2) A statement that any information submitted that is determined to be false will
33 result in a denial of financial assistance and that the applicant will bear financial
34 responsibility for charges for services provided by the hospital; and

35 (3) A statement informing the applicant that knowingly submitting false
36 information is unlawful;

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

39 D. Shall determine eligibility based upon the applicant's family income at the time the
40 application is submitted;

1 E. Shall, within 15 days of receiving an application, notify the applicant to clearly
2 explain what additional information or documentation, if any, is necessary to complete
3 the application. The hospital shall provide the patient with a reasonable amount of time
4 that is no less than 30 days following notification to the patient of any information
5 needed to complete the application before denying the application based on incomplete
6 information. The hospital shall determine eligibility and inform the patient of the
7 eligibility determination within 30 days from the date a completed application is
8 submitted; and

9 F. Shall provide interpretation services to patients with limited English proficiency
10 and patients who are deaf or hard of hearing. This requirement applies to patients
11 applying for or receiving assistance under a financial assistance program.

12 **4. Applications and eligibility requirements specific to charity care.** In addition to
13 the requirements of subsection 3, and notwithstanding any provision of subsection 3 to the
14 contrary, the following requirements apply to charity care. A hospital, in accordance with
15 rules adopted by the department:

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

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

25 C. Shall determine that an applicant is unable to pay for hospital services and is eligible
26 for charity care when the family income of the patient, as calculated by either of the
27 methods described in subparagraphs (1) and (2), is equal to or less than 200% of the
28 federal poverty level. Eligibility may be calculated by:

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

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

33 If one method of calculation is inapplicable, the other method must be applied prior to
34 determining an applicant's eligibility for charity care;

35 D. Shall provide each applicant who requests charity care and is denied it, in whole or
36 in part, a written and dated statement of the reasons for the denial when the denial is
37 made; and

38 E. Shall provide to an applicant who is denied charity care, in whole or in part,
39 information regarding the right to request a fair hearing from the department regarding
40 the patient's eligibility for charity care.

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

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

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

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

10 D. Including on all plain language summaries and financial assistance program
11 application instructions, excluding billing statements except as otherwise provided in
12 paragraph E and subsection 6, information regarding the hospital's financial assistance
13 program and information regarding the availability of no-cost assistance with applying
14 for financial assistance and health coverage programs through the Health Insurance
15 Consumer Assistance Program established in Title 24-A, section 4326; and

16 E. Providing on all billing statements sent to a patient information on the availability
17 of financial assistance, including how to apply for the financial assistance program, the
18 address of a publicly accessible website from which a patient may download a copy of
19 the application and a telephone number that a patient may call to request a paper copy
20 of the application.

21 **6. Individual written notice of charity care availability.** A hospital shall provide a
22 patient with individual written notice of the availability of charity care according to the
23 following.

24 A. With respect to inpatient services, the hospital shall provide individual written
25 notice of the availability of charity care to each patient upon admission, or in the case
26 of emergency admission before discharge.

27 B. With respect to outpatient services, the hospital shall either include with the patient's
28 bill a copy of an individual notice of the availability of charity care or provide a copy
29 of the individual notice at the time service is provided.

30 The individual notice provided pursuant to this subsection must include the information
31 required pursuant to subsection 5, paragraph D, a telephone number to request a paper
32 charity care application, the website address where a patient can submit an online
33 application pursuant to subsection 10, the income guidelines to qualify for charity care and
34 any other information specified by the department by rule.

35 **7. Patient notified of noncovered services; consequences for failing to notify.** In
36 accordance with rules adopted by the department, a hospital shall inform a patient who is
37 determined to be eligible for financial assistance if any part of a medical service, treatment,
38 procedure or test provided or administered to the patient in the hospital is not covered by
39 the hospital's financial assistance programs. A hospital may not bill a patient for a medical
40 service, treatment, procedure or test if the hospital failed to provide the patient with advance
41 notice that a medical service, treatment, procedure or test is not covered under the hospital's
42 financial assistance programs. A hospital may bill a patient's health insurance carrier for a
43 medical service, treatment, procedure or test for which the hospital is prohibited from
44 billing the patient under this subsection.

1 **8. Reasonable payment plans; maximum out-of-pocket payments.** In accordance
2 with rules adopted by the department, a hospital shall offer a patient with a documented
3 family income that does not exceed 400% of the federal poverty level a payment plan that
4 requires monthly out-of-pocket payments that do not exceed 3% of the patient's monthly
5 family income that is not exempt from attachment or garnishment under state law.

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

11 **10. Online application for charity care.** A hospital shall provide an online option
12 through which an applicant may file an application for charity care. The online option must
13 provide for an e-mail response to the applicant that the application has been received. The
14 hospital shall provide an option for a patient to request that an application be mailed to the
15 patient.

16 **11. Enforcement.** This subsection governs enforcement of this section.

17 A. The department shall:

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

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

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

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

25 (b) Adjusting any amount billed to the patient in violation of this section.

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

30 **12. Application developed by department.** The department shall develop an
31 application for patients to apply for financial assistance programs, including charity care,
32 consistent with the requirements of subsections 3 and 4, as applicable. The department shall
33 translate any application it develops into any language spoken by 5% of the population of
34 the State or 1,000 people in the State, whichever is less.

35 **13. Rulemaking.** The department shall adopt rules to carry out the purposes of this
36 section. Rules adopted pursuant to this section must be consistent with the requirements of
37 the United States Internal Revenue Code of 1986, Section 501(r) and any federal
38 regulations implementing those requirements. Rules adopted pursuant to this subsection
39 are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

40 **Sec. 4. 22 MRSA §4313, sub-§1,** as amended by PL 1995, c. 696, Pt. A, §40, is
41 further amended to read:

1 **1. Emergency care.** In the event of an admission of an eligible person to the hospital,
2 the hospital shall notify the overseer of the liable municipality within 5 business days of
3 the person's admission. ~~In no event may hospital services to a person who~~ If the person
4 meets the financial eligibility guidelines adopted pursuant to section 1716 requirements for
5 charity care under section 1716-A, hospital services may not be billed to the patient person
6 or to a municipality.

7 **Sec. 5. 32 MRSA §11013, sub-§11,** as enacted by PL 2021, c. 245, Pt. E, §1, is
8 amended to read:

9 **11. Collection action prohibited on debt from medical expenses if eligible for free**
10 **or charity care.** If a debt collector has been notified, orally or in writing, by a creditor or
11 the consumer of the consumer's actual or potential qualification for ~~free or~~ charity care
12 under ~~guidelines adopted pursuant to~~ Title 22, section ~~1716~~ 1716-A, a debt collector may
13 not collect or attempt to collect a debt for medical expenses against a consumer who has
14 been determined to be qualified for ~~free or~~ charity care under ~~guidelines adopted pursuant~~
15 ~~to~~ Title 22, section ~~1716~~ 1716-A or against a consumer who would have been determined
16 to be qualified for ~~free or~~ charity care under ~~guidelines adopted pursuant to~~ Title 22, section
17 ~~1716~~ 1716-A but did not apply for good cause. If the notification is provided to a debt
18 collector, the debt collector shall suspend collection efforts until the creditor has notified
19 the debt collector and the consumer that the consumer is not qualified for ~~free or~~ charity
20 care and, in that case, the debt collector may renew debt collection efforts.

21 **Sec. 6. Department of Health and Human Services to adopt rules.** By June
22 30, 2026, the Department of Health and Human Services shall adopt rules pursuant to the
23 Maine Revised Statutes, Title 22, section 1716-A, subsection 13 to implement the
24 requirements of this Act. The rules must include a provision limiting a patient's right to
25 request an administrative hearing to within 60 days after the date of the written notification
26 of the action under section 1716-A that the patient wishes to appeal.

27 **Sec. 7. Effective date.** This Act takes effect January 1, 2026.

28 SUMMARY

29 The bill eliminates the existing law that requires the Department of Health and Human
30 Services to adopt guidelines governing charity care and replaces it with a more
31 comprehensive law governing charity care and other financial assistance programs
32 provided by hospitals to patients to cover charges for services provided by that hospital.
33 The bill does the following.

34 1. It requires that hospitals provide charity care or free health care services to patients
35 who are state residents and whose family income is equal to or less than 200% of the federal
36 poverty level.

37 2. It establishes requirements with respect to hospital-provided financial assistance
38 programs and specific requirements applying only to charity care that hospitals must follow
39 in accordance with rules adopted by the department concerning the application process,
40 language interpretation, eligibility determinations, notification of eligibility determinations
41 and, in the case of charity care, rights to a hearing following a denial.

42 3. It requires that hospitals widely publicize their financial assistance programs within
43 the community served by the hospital, including by publishing a summary of the programs

1 written in plain language; by providing physical copies of the summary, application and
2 application instructions in conspicuous locations within the hospital; and by posting a full,
3 accessible and downloadable version of the application on the hospital's publicly accessible
4 website.

5 4. It requires that a hospital provide individual written notice of the availability of
6 charity care to each patient. For inpatient services, the notice must be provided upon
7 admission, or in the case of emergency admission before discharge. For outpatient services,
8 individual notice must be included with the patient's bill or at the time service is provided.

9 5. It requires that a hospital notify a patient who is determined to be eligible for
10 financial assistance if any part of the services provided are not covered by the hospital's
11 financial assistance program. A hospital that fails to provide this notice is prohibited from
12 charging the patient for those services, but is permitted to charge the patient's health
13 insurance carrier for those services.

14 6. It provides that a hospital must offer, for patients with family incomes that do not
15 exceed 400% of the federal poverty level, a payment plan that requires monthly out-of-
16 pocket payments that do not exceed 3% of the patient's monthly family income that is not
17 exempt from attachment or garnishment under Maine law.

18 7. It requires hospitals to include on a patient's bill information concerning the process
19 for disputing charges.

20 8. It requires that hospitals provide an online option for applying for charity care.

21 9. It requires the department to enforce the provisions of this bill. The department must
22 establish a process to receive patient complaints for hospital noncompliance, conduct
23 reviews of those complaints and require a corrective action when a hospital is found to be
24 noncompliant.

25 10. It establishes a civil penalty not to exceed \$1,000 for hospitals that knowingly or
26 willfully violate the provisions of this bill or engage in a pattern of noncompliance with
27 these provisions.

28 11. It requires the department to adopt rules by June 30, 2026 to carry out the purposes
29 of this bill.