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January 16, 2024

Senator Baldacci, Chair  
Representative Meyer, Chair  
Members, Joint Standing Committee on Health and Human Services  
100 State House Station  
Augusta, ME 04333-0100

Re: LD 1955, *An Act to Require Hospitals and Hospital-affiliated Providers to Provide Financial Assistance for Medical Care*

Senator Baldacci, Representative Meyer and Members of the Joint Standing Committee on Health and Human Services:

Thank you for the opportunity to provide information neither for nor against LD 1955, *An Act to Require Hospitals and Hospital-affiliated Providers to Provide Financial Assistance for Medical Care*.

This bill proposed the following: it directs the Department of Health and Human Services to adopt rules, consistent with the federal Hill-Burton Act, for the provision of free health care services to patients who are state residents and meet certain income requirements. It requires:

- Hospitals and hospital-affiliated providers to adopt a modified adjusted gross income methodology<sup>1</sup> in determining a patient's eligibility for financial assistance;
- That hospitals and hospital-affiliated providers use a single streamlined application for all financial assistance programs and provides for other resources relating to applications and for the determination of a patient's financial assistance;
- That hospitals and hospital-affiliated providers widely publicize their financial assistance programs within the community served by the hospital or hospital-affiliated provider, including by publishing a summary of the programs written in plain language; by providing physical copies of the summary, application and application instructions in conspicuous locations within the hospital or hospital-affiliated provider; and by posting a full, accessible and downloadable version of the application on the hospital's or hospital-affiliated provider's publicly accessible website;
- That hospitals and hospital-affiliated providers inform patients eligible for financial assistance if any service, treatment, procedure or test is not covered by the hospital's or hospital-affiliated provider's financial assistance program;
- It provides that a hospital and a hospital-affiliated provider must offer patients payment plan options with terms of at least 2 years, with monthly payments not to exceed 3% of the patient's monthly gross income;

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<sup>1</sup> Current Free Care Rules (10-144 Chp 150) set income guidelines at one hundred and fifty percent (150%) of the Federal Poverty Level Guidelines (FPL)

- It prohibits certain collections actions by hospitals and hospital-affiliated providers for at least 240 days beginning on the date the hospital or hospital-affiliated provider provides a billing statement to the patient who has received medical care and left the hospital or hospital-affiliated provider. Prohibited collections actions include the sale of a patient's medical debt to a collection agency, legal action against a patient with the intent of collecting a debt for services rendered or withholding medically necessary care to a patient prior to the collection of debt;
- It prohibits other billing or collections actions by a hospital or a hospital-affiliated provider until the hospital or hospital-affiliated provider fully determines a patient's eligibility for charity care, including by resolving an appeal filed by the patient;
- It provides that the Department of Health and Human Services enforce the provisions of this law and establishes a civil penalty for hospitals or hospital-affiliated providers that knowingly or willfully violate these provisions or engage in a pattern of noncompliance;
- It requires hospitals to comply with the price transparency requirements established in 45 Code of Federal Regulations, Part 180. A hospital is prohibited from initiating or pursuing a collections action against a patient for services provided on a date on which the hospital was not in compliance with the price transparency requirements.

These changes will provide greater access to and transparency around available financial assistance for patients in Maine. This can improve access to care, especially for consumers with high-deductible health plans.

It is also important to note that the enforcement provisions proposed under Sec. 1 would create additional complaints for the Division to process and investigate, and that will increase the workload for our medical survey teams. Similarly, this bill could create additional administrative hearings, that would need to be administered internally by the Division or by the Administrative Hearing Unit. As such, implementation would require additional resources to the Department of Health and Human Services for this work.

Please feel free to contact me if you have any questions during your deliberation of this bill.

Sincerely,

DocuSigned by:  
  
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Bill Montejo

Director

Division of Licensing and Certification