MaineHealth

Testimony of Sarah Calder, MaineHealth
In Opposition to LD 1955, "An Act to Require Hospitals and Hospital-affiliated Providers to Provide Financial Assistance for Medical Care"
Wednesday, January 17, 2024

Senator Baldacci, Representative Meyer, and distinguished members of the Joint Standing Committee on Health and Human Services, I am Sarah Calder, Senior Government Affairs Director at MaineHealth, and I am here to testify in opposition to LD 1955, "An Act to Require Hospitals and Hospital-affiliated Providers to Provide Financial Assistance for Medical Care."

MaineHealth is an integrated non-profit health care system that provides a full continuum of health care services to the residents of eleven counties in Maine and one in New Hampshire. As part of our mission of "Working Together So Maine's Communities are the Healthiest in America," MaineHealth's members are committed to providing access to health care services for all patients regardless of their insurance status.

To that end, MaineHealth provides free care to those at or below 200% of the federal poverty level, above and beyond the state requirement of 150%. In addition, MaineHealth has developed Access to Care programs, and through these programs hundreds of thousands of Maine people have received high-quality care, improved their health status, received free and reduced-price medications, reduced unnecessary emergency department visits, and learned how to successfully navigate the complexities of the healthcare system. Additionally, the MaineHealth Coverage Team, a program of Access to Care, specializes in helping uninsured or under-insured patients enroll in programs such as MaineCare and the Health Insurance Marketplace, and applying for free care.

It is through that work that we share our significant concerns with the legislation before you today, which completely rewrites federal and state hospital charity care laws. While we share the sponsor's goal of ensuring Mainers have access to comprehensive and affordable health care, LD 1955 could have a significant impact on hospitals and their affiliated providers, both administratively and financially. And, importantly, the bill ignores that the cause of medical debt for many is inadequate commercial insurance coverage. Specifically:

1. **Subsection 7. B and D. Limitations on billing and collections actions.**

   LD 1955 prohibits a hospital or hospital-affiliated provider from collecting any charge or assigning bad debt until all reasonable efforts are made to determine the patient's eligibility for charity care. Importantly, the bill does not define "reasonable efforts." Non-profit hospitals are already required by the IRS to provide notice on patient billing statements of the availability of free or discounted care. We also post this notice on our website and throughout our facilities. Additionally, MaineHealth Access to Care connects with all hospitalized patients who are

uninsured or underinsured to assist in enrolling in MaineCare, the Health Insurance Marketplace, or to apply for free care. Given the volume of patients in our outpatient settings and Emergency Departments, our team is not able to meet with each uninsured or underinsured patient, but they make every effort to do so. It would require a significant financial investment both in expanding our Access to Care team and in new software to score our patients' incomes to comply with this proposed mandate. And without a definition of "reasonable efforts," we could be in the most difficult position of proving to the court system whether we met an ambiguous standard.

2. **Subsection 7. F. Limitations on billing and collection actions.**

   MaineHealth recognizes the burden medical debt places on patients and their families. To that end, we strongly believe that health insurance coverage should be adequate and affordable. The bill before you today seeks to squeeze the only part of the health care equation that is providing care to all, regardless of ability to pay – non-profit hospitals.

   LD 1955 prohibits a hospital from reporting information on unpaid debt to a credit reporting agency or bureau, which could remove an incentive for individuals to acquire health insurance. Worse, it could incentivize patients to forego paying bills for care altogether. Importantly, MaineHealth provides three written notices, each with information about financial assistance policies, over the course of 120 days before sending unpaid medical bills to collection.

3. **Section 3. Applications for financial assistance.**

   MaineHealth currently determined eligibility for financial assistance within 30 days. LD 1955 shortens this timeframe to 15 days and requires hospitals to inform patients of any missing information within 10 days of submitting the application. Additional staff and resources will be needed to comply with this proposed mandate.

   Additionally, LD 1955 prohibits the use of asset tests, which is already prohibited in the Department of Health and Human Services Free Care Guidelines for hospitals. We would note, however, that the inability to consider assets, not including the patient's primary residence and vehicle, when determining a patient's income, results in free care being provided to patients with significant financial means. We would encourage the Committee to follow the lead of other states, like New Hampshire, Vermont, and Illinois, which allow hospitals to consider a patient's assets when providing financial assistance and free care.

4. **Section 6. Reasonable payment plans; maximum out-of-pocket payments.**

   LD 1955 prohibits a hospital or hospital-affiliated provider from collecting more than 3% of a patient's monthly gross income as part of a payment plan without consideration for the amount of the patient's gross monthly income. We would encourage the Committee, should it move forward with LD 1955, to amend the language to reflect that this provision only applies to

patients with a gross monthly income at or less than 400% of the Federal Poverty Limit, for example. It is not logical to limit high income earners to 3%.

5. **Section 2. Hospital or hospital-affiliated provider to provide care.**

   LD 1955 proposes that hospitals and hospital-affiliated providers adopt a modified adjusted gross income methodology, which we believe places a greater burden on the patient than our current practice of using tax returns or a printed paycheck.

Several other components of LD 1955 will require significant resources to comply with, like the requirement to extend free care from 6 months to 1 year, and the impact on hospitals across the state should be considered.

In closing, while we share the sponsor's goal of ensuring that Mainer's have access to affordable and comprehensive health care, this bill attempts to regulate the only part of the equation that is already providing comprehensive care regardless of our patients' ability to pay. We should be looking at the underlying costs of health care and supporting a system that meets the needs of all patients. I urge the Committee to vote Ought Not to Pass on LD 1955, "An Act to Require Hospitals and Hospital-affiliated Providers to Provide Financial Assistance for Medical Care."

Thank you and I would be happy to answer any questions you may have.