

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

> Testimony of John Brautigam, Esq. for Legal Services for Maine Elders Joint Standing Committee on Health and Human Services

> > May 12, 2025

Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services.

My name is John Brautigam, and I am here today on behalf of Legal Services for Maine Elders. LSE provides free legal help for Mainers aged 60 and older when their basic human needs are at stake.

We regularly assist people who are struggling with unaffordable hospital bills and overwhelming medical debt — individuals who should be eligible for financial assistance, but who are unaware of their rights, face confusing and burdensome application procedures, or are discouraged by inconsistent practices across health systems.

Medical debt is widespread and consequential. A recent comprehensive survey found that nearly half of Maine households have incurred medical debt in the past two years. Hospital care — including emergency treatment and diagnostic services — is the leading cause of this debt. Half of those with medical debt say it has damaged their credit score, and among those, the majority report difficulty accessing loans or even securing employment as a result. Two out of three families affected by hospital debt report struggling to pay for necessities like food, heat, and housing.

These impacts are not isolated. They are systemic. And they fall disproportionately on those with the fewest resources — including older Mainers living on fixed incomes.

LD 1937 addresses these harms with practical, balanced reforms that benefit patients in a manner consistent with the charitable obligations of nonprofit hospitals. It builds upon language negotiated last session in LD 1955 — a bill that passed both chambers with bipartisan support but was caught in gridlock at the end of session. We understand that LD 1937 represents the product of meaningful dialogue among consumer advocates, hospitals, and policymakers.

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## LD 1937 would:

- Raise the income eligibility threshold for free care from 150% to 200% of the federal poverty level a level already used by many hospitals.
- Improve transparency by requiring hospitals to clearly and proactively notify patients about financial assistance, including online, at admission, and with billing statements.
- Prohibit unnecessary burdens on patients, such as notarization requirements and collection of irrelevant information about assets or non-counted income.
- Require that hospitals offer payment plans for those with incomes under 400% of poverty, capped at 3% of attachable income making repayment realistic and preventing debt spirals.
- Provide fair administrative safeguards, including notice, appeal rights, and enforcement through DHHS, including a complaint and corrective action process.
- Apply modest civil penalties in cases of knowing or repeated violations a necessary tool to ensure accountability.

This bill does not impose new burdens on hospitals — it clarifies and enforces obligations already grounded in state and federal law. In exchange for tax-exempt status, nonprofit hospitals are required to serve their communities, including by offering free or reduced-cost care to those who qualify. And yet today, too many hospitals in Maine provide minimal free care — in some cases less than 1% of patient revenue — even as medical debt increases and community needs go unmet.

Finally, the bill reflects the overwhelming support of the public. Recent polling shows that eight in ten Mainers support requiring hospitals to increase financial assistance. The people of Maine understand that health care should not be a cause of financial ruin — and that hospitals must be part of the solution.

We respectfully urge the committee to support LD 1937. It's a reasonable, well-crafted bill that strengthens Maine's safety net, ensures transparency and fairness, and restores dignity to people seeking help in moments of vulnerability.

Thank you.