

To: Chief Executive Officers and Chief Financial Officers - All Hospitals

From: Megan Renfrew, Deputy Director of Policy and Consumer Financial Protections, and Claudine Williams, Principal Deputy Director Healthcare Data Management and Integrity

Date: May 13, 2025

Re: Hospital Financial Assistance and Medical Debt Collection - Changes in Law

Maryland's law related to hospital financial assistance and medical debt collection has changed multiple times over the past five years.

This memo is intended to provide notice of changes in the law, not to provide guidance in implementation of these changes or hospital's compliance obligations. Hospitals should not rely on the HSCRC to provide updates on changes in statute made by the Maryland General Assembly that apply to hospitals. This memo does not provide a complete description of each change in law. **It is the responsibility of each hospital to comply with changes in the law.**

HSCRC's regulations (COMAR 10.37.10.26) do not currently reflect these changes in law and thus should be followed only to the extent that they are not in conflict with more recent changes in law. Compliance with the law includes making timely updates to hospital financial assistance and medical debt collection policies and ensuring that hospital staff are thoroughly familiar with the changes in law. HSCRC will be convening a workgroup to work on an update to our financial assistance and medical debt regulations and will work with the Maryland Hospital Association to ensure that there is adequate hospital representation.

If you have any questions, you may contact Claudine Williams or William Hoff at: claudine.williams@maryland.gov, or william.hoff@maryland.gov.

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Summary of Changes in Law - 2025 and 2024

In 2025, the Maryland General Assembly passed three bills that impact hospital financial assistance and medical debt collection.

- **“Hospitals - Financial Assistance and Collection of Debts - Policies,”** [House Bill 268 \(2025\)](#), [Senate Bill 981 \(2025\)](#)
 - Status: This bill has passed the General Assembly, but has not yet become law. If the bill becomes law, it will have an effective date of October 1, 2025.
 - This bill addresses the following topics:
 - Financial assistance eligibility and covered services
 - Content of the hospital’s financial assistance policy
 - Discount rates for reduced cost care, including reduced cost care due to financial hardship
 - Content of patient notices
 - A prohibition of reporting any hospital debt to consumer reporting agencies
 - Lawsuits, including new prohibitions and a change to the statute of limitations
 - Refunds
 - Changes to the calculation of income for income-based payment plans
- **“Hospitals - Medical Debt Collection - Sale of Patient Debt,”** [House Bill 765 \(2025\)](#)
 - Status: This bill has passed the General Assembly, but has not yet become law. If the bill becomes law, it will have an effective date of October 1, 2025.
 - Under current law, hospitals are prohibited from selling medical debt. This bill would allow hospitals to sell medical debt to a government entity, contractor of a government entity, or nonprofit organization for the sole purpose of canceling the debt. The bill contains rules that govern those transactions.
- **“Consumer Protection - Credit Reporting - Medical Debt (Fair Medical Debt Reporting Act),”** [Chapter 121 \(2025\)](#)
 - Status: This bill has been signed into law. The law has an effective date of October 1, 2025.
 - Like HB 268 (2025) and SB 981 (2025), described above, this law prohibits hospitals from reporting medical debt to consumer reporting agencies.
- **“Hospitals – Financial Assistance Policies – Revisions,”** [Ch. 959 \(2024\)](#)
 - Effective Date: October 1, 2024
 - This bill removed language allowing hospitals to restrict eligibility for reduced cost care to their hospital service area, as well as changing requirements related to asset tests.
 - HSCRC previously issued the memo about this change in law: [Changes in Financial Assistance Law - HB 328](#) - 7/5/24