



maryland
health services
cost review commission

Financial Assistance and Medical Debt Workgroup

July 1, 2025 Meeting

Ground Rules

- We are not re-hashing topics that were untouched in the statute by the six bills passed since 2022 and highlighted on the [HSCRC webpage](#) for this workgroup.
- To ensure we can update regulations before the 2026 legislative session, the hard deadline for substantive comments is July 17.

Agenda

- Calculation of Income for the 5 Percent Payment Plan Threshold
- Interpretation of asset test stipulations in statute
- Consideration of “Income” for Payment Plans vs Financial Assistance
- Information for consumers/patients vs for HSCRC

Calculation of Income for the 5 Percent Payment Plan Threshold

The main statutory change here is adding household size to the consideration for the 5% threshold.

New language in regulations clarifies that hospital must consider total household income in a way that acknowledges the individual as only part of the household.

(2) Determining the Household Size. The hospital shall determine the size of the patient's household using the number reported on tax returns, if provided the number of tax filers and dependents listed on the tax return provided by the patient. For example, if a married couple files jointly and has three dependents, the number of tax filers and dependents would equal five. If a patient files as an individual and the patient is not a dependent and has no dependents, the number of tax filers would equal one. If the patient has not provided a tax return, the hospital shall ask the patient to provide the number of individuals in the household.

(3) Calculation of the 5 Percent Threshold. In determining the 5 percent threshold, the hospital shall divide the income level established under section (G)(1) of this regulation by the household size determined under section (G)(2) of this regulation and multiply by .05 percent.

Interpretation of asset test stipulations in statute

- HSCRC would like to clarify that hospitals **must** use income (in the standard sense), and **can** use assets
- Will define “monetary assets” in next draft

J. Asset Test Requirements. If a hospital considers household monetary assets when determining eligibility for financial assistance, it:

(1) May consider only household monetary assets in excess of \$100,000; and

(2) Shall exclude retirement assets to which the Internal Revenue Service has granted preferential tax treatment as a retirement account, including, but not limited to, deferred-compensation plans qualified under the Internal Revenue Code or nonqualified deferred-compensation plans;

In Statute:

(8) ~~[(i)]~~ A hospital may ~~NOT~~ consider ONLY household monetary assets in EXCESS OF \$100,000 WHEN determining eligibility for free and reduced-cost care under the hospital’s financial assistance policy [in addition to income-based criteria].

~~[(ii) Subject to subparagraph (iii) of this paragraph, if IF a hospital considers household monetary assets under subparagraph (i) of this paragraph, the following types of monetary assets that are convertible to cash shall be excluded:~~

- ~~1. At a minimum, the first \$10,000 of monetary assets;~~
- ~~2. A safe harbor equity of \$150,000 in a primary residence;~~
- ~~3. Retirement RETIREMENT assets that the Internal~~

Revenue Service has granted preferential tax treatment as a retirement account, including deferred-compensation plans qualified under the Internal Revenue Code or nonqualified deferred-compensation plans; SHALL BE EXCLUDED.

~~4. One motor vehicle used for the transportation needs of the patient or any family member of the patient;~~

~~5. Any resources excluded in determining financial eligibility under the Medical Assistance Program under the Social Security Act; and~~

~~6. Prepaid higher education funds in a Maryland 529 Program account.~~

~~(iii) Monetary assets excluded from the determination of eligibility for free and reduced-cost care under subparagraph (ii) of this paragraph shall be adjusted annually for inflation in accordance with the Consumer Price Index.]~~

Consideration of “Income” for Payment Plans vs Financial Assistance

- **Statute was updated from considering individual income to household income for payment plans.**
- Aligning “income” considered for financial assistance and payment plan processes is better for everyone
 - Documentation – do we allow attestation for both
 - Asset tests – do we allow attestation for both
 - “Household” vs “family” income

Information for consumers/patients vs for HSCRC

Was previously in the equivalent to section .04 Hospital Credit and Collection Responsibilities but is now in .03 Hospital Information Sheet:

(1) Describes clearly:

(a) the hospital's financial assistance policy as required in regulation .06 of this chapter and Health-General Article, §19-214.1, Annotated Code of Maryland;

(b) a patient's legal rights and obligations with regard to hospital billing and collection;

(c) the hospital's legal right to commence civil action regarding a patient's medical debt, consistent with section .04 of this regulation, including:

(i) When garnishments may be applied to a patient's or patient guarantor's income;

(ii) When a lien on a patient's or patient guarantor's personal residence, excluding a primary resident in accordance with section .04I. of this regulation and Health-General Article, §19-214.2(g)(2), Annotated Code of Maryland, or motor vehicle may be placed;

(d) the hospital's procedures for collecting any medical debt, consistent with section .04 of this regulation;

(e) the circumstances in which the hospital will seek a judgment against a patient for the patient's medical debt, subject to §.04 I. of this regulation and Health-General Article, §19-214.2, Annotated Code of Maryland;

(f) the consideration by the hospital of patient income, assets, and other criteria under section .04 of this regulation;

Public Comment

Next Steps

- Will send revised draft out by **July 7** at the latest
- All written comments due by **July 17**
- Next workgroup meeting: Wednesday, **July 23** 10:00 – 11:30am
- Commission meeting **July 30**

Thank you!