

An Act to address medical debt through hospital financial assistance reform

Bill Number:
H.1350/S.842

Lead Sponsors:
Rep. Barber, Rep. Owens & Sen. Comerford

This bill requires hospitals to develop and implement financial assistance policies with uniform standards for eligibility, notice and display.

What does this legislation do?

- Requires hospitals to develop, implement and maintain a financial assistance policy.
- Establishes a process for developing a uniform financial assistance application and creates standard income eligibility requirements for free and discounted care.
- Creates uniform standards for notice and display of financial assistance policies.
- Authorizes the Center for Health Insurance and Analysis (CHIA) to collect data and the Health Policy Commission (HPC) to issue related reports relevant to hospital financial assistance policies.

Why is this legislation needed?

- [1 in 8](#) MA residents report having family medical debt. Whether it's [delaying or skipping care](#) for fear of another medical bill or rationing basic necessities to chip away at existing debt, living with medical debt can compound the physical, mental and financial stress of an illness or injury.
- Nationwide, most medical debt is the result of health care services received at hospitals. Nearly [73%](#) of U.S. adults with medical debt owe at least some of that debt to a hospital.
- Federal law requires non-profit hospitals to offer financial assistance as a condition of receiving their tax-exempt status. However, there are no current state or federal laws dictating who should be eligible for financial assistance or how much assistance a hospital must provide. This has led to [variation in policies from hospital-to-hospital](#) making it hard for patients to navigate.
- [19 states](#) and DC have attempted to fill gaps in federal law by setting minimum hospital financial assistance standards.

Why is this a health equity issue?

- The burden of medical debt is not carried equally: [20%](#) of Non-Hispanic Black residents report having family medical debt, the highest in the Commonwealth.
- Communities of color have over [two times](#) the rate of medical debt in collections compared to white communities in Massachusetts.
- Individuals with [complex medical conditions](#) that require ongoing care are more likely to accumulate medical debt. Massachusetts residents who report poor health or a disability are nearly [twice](#) as likely to report carrying family medical debt than families reporting a good or excellent health status.