Joint Committee on Health Care Financing
2025-2026 (194th) Bill Summary

Bill Number: House, No. 1350

Title: AN ACT TO ADDRESS MEDICAL DEBT THROUGH HOSPITAL FINANCIAL ASSISTANCE REFORM

Sponsor: Representatives Christine P. Barber (Somerville) and Steven Owens (Watertown)

Hearing Date: May 12, 2025

Reporting Deadline: July 11, 2025

Prior History: New Bill

Similar Matters: S842 Comerford (Identical, Health Care Financing)

Current Law:

Chapter 6D of the General Laws establishes the Health Policy Commission (HPC) as an independent agency within the Executive Office of Administration and Finance to set health care cost growth goals, enhance provider organization transparency, monitor and review marketplace changes, and establish a health care cost growth benchmark for the average growth in total health care expenditures.

Chapter 12C of the General Laws establishes the Center for Health Information and Analysis (CHIA) as an independent agency tasked with collecting and analyzing health care data and publish annual reports on health care costs, cost trends, market power, and quality data in support of the annual health care cost hearings conducted by the HPC.

M.G.L. Ch. 12C §§ 8 & 9 direct CHIA to ensure uniform reporting by institutional providers, parent organizations, providers, and provider organizations of revenues, charges, costs, price, utilization of services, and other pertinent data necessary to identify health care trends.

M.G.L. Ch. 111 §§ 51 through 56, inclusive, governs the licensing of hospitals and clinics by the Department of Public Health.

M.G.L. Ch. 118E § 1 designates the Executive Office of Health and Human Services (EOHHS) as the single state agency responsible for the administration of any programs of medical assistance and medical benefits established pursuant to Chapter 118E. The secretary of EOHHS is authorized to take actions, through the division of medical assistance and the secretary of aging and independence, as appropriate, in this capacity, in accordance with section 2 of Chapter 118E.

M.G.L. Chapter 118E § 8A defines certain terms as understood within the context of sections 13C to 13K, inclusive, and sections 64 to 70, inclusive, of chapter 118E, governing the Division of Medical Assistance and the MassHealth program including, but not limited to, the following terms: "Acute hospital"; "Ambulatory surgical center"; "Community health center"; "Disproportionate share hospital"; "Free care"; "Hospital"; "Medically necessary services"; "Non-acute hospital"; "Pediatric hospital"; "Publicly aided patient"; "Resident"; "Specialty hospital"; "Third party payer".

Summary Prepared by the House Staff of the Joint Committee on Health Care Financing

M.G.L. Ch. 118E § 9A authorizes the Division of Medical Assistance to implement the state Medicaid program (MassHealth) in accordance with the terms and conditions of a demonstration project approved by the Secretary pursuant to section 1115(a) of the Social Security Act, 42 USC Section 1315(a) or any other federal waiver or demonstration authority and lists beneficiary categories for whom MassHealth may provider medical benefits.

- On September 28, 2022, CMS approved the Commonwealth's request to extend the MassHealth demonstration (Project Number 11-W-00030/1 and 21-W00071/1), in accordance with section 1115(a) of the Social Security Act (the Act), effective October 1, 2022, through December 31, 2027.
- CMS approval for the current demonstration period includes authorization for funding, eligibility and payment protocols for both the Health Safety Net and Uncompensated Care Pool.

M.G.L. Chapter 118E §§ 64 through 70, inclusive, governs the operations of the Health Safety Net Office and the administration of the Health Safety Net Trust Fund. The Health Safety Net reimburses hospitals and community health centers for a portion of the cost of reimbursable health services to eligible low-income, uninsured, or underinsured Massachusetts residents with household incomes at or below 300% of the FPL and who are deemed eligible. For recipients with a MAGI between 150% and 300% of the FPL, an annual deductible may apply.

M.G.L. Chapter 118E § 64 defines certain terms as they are to be understood within the context of sections 64 through 69, inclusive, of Chapter 118E including, but not limited to, the following terms: "Acute hospital"; "bad debt"; "Community health center"; "Emergency bad debt"; "Pediatric hospital"; "Reimbursable health services"; "Resident"; "Underinsured patient"; "Uninsured patient".

M.G.L. Chapter 118E §69, governing payments for services eligible for reimbursement through the Health Safety Net Trust Fund, requires hospitals and community health centers to screen patients to determine whether a third party is financially responsible for the costs of care, including whether a patient is eligible for Medicaid. If a patient is potentially eligible for Medicaid, the acute hospital or community health center must assist the applicant in applying for Medicaid.

101 CMR 613.00 governs the criteria applicable April 1, 2024, for determining the services for which acute hospitals and community health centers may be paid by the Health Safety Net, including the three categories of services that are eligible to be paid by the Health Safety Net, and the criteria to determine low income patient status, to determine medical hardship, and to submit claims for bad debt. The three categories of services eligible for payment from the Health Safety Net are:

- Reimbursable health services to low-income patients (101 CMR 613.04).
- Medical hardship (101 CMR 613.05)
- Bad debt (101 Code Mass. Regs. 613.06)

101 CMR 613.08 governs provider responsibilities under the Heath Safety Net Program, which include requirements to:

- Notify patients of the availability of financial assistance programs when the patient will incur charges which are not paid in full by third party coverage and public assistance programs during the patient's initial registration, on all billing invoices, and when a facility is aware that the patient's eligibility or health insurance coverage changed;
- Notify patients of the availability of financial assistance in all written collection actions;
- Notify patients that the acute hospital or community health center offers a payment plan if the patient is a low-income patient or qualifies for medical hardship;
- Post signs in areas that patients customarily use that conspicuously inform patients of the availability of financial assistance programs and where to apply; and
- Post their credit and collection policies and provider affiliate lists on their website, with signage required to be:

a. Large enough, clearly visible, and legible to patients.
b. Translated to languages that are the primary language of 10% or more of the residents in the acute hospital or community health center's service area.

26 U.S.C.A. § 501, I.R.C. § 501(r) requires that non-profit hospitals, as a condition for maintaining their I.R.C. § 501(c)(3) tax-exempt status, have a written "financial assistance policy" that complies with specified criteria, have a written "emergency medical care" policy that requires the hospital to provide care for emergency medical conditions to patients regardless of their eligibility for financial assistance, limit billing by refraining from charging individuals who are eligible under the financial assistance policy more than "amounts generally billed to individuals who have insurance covering such care," or billing based on "gross charges".

Section 673(2) of the Omnibus Budget Reconciliation Act (OBRA) of 1981 (42 U.S.C. § 9902(2)) requires the Secretary of the Department of Health and Human Services to update the federal poverty guidelines (FPL) at least annually, adjusting them on the basis of the Consumer Price Index for All Urban Consumers (CPI–U). As required by law, this update is accomplished by increasing the latest published Census Bureau poverty thresholds by the relevant percentage change in the Consumer Price Index for All Urban Consumers (CPI–U). The 2025 FPL values are shown in the table below:

2025 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES (DOLLARS PER YEAR)					
Household/ Family Size	200%	300%	350%	400%	600%
1	31,300	46,950	54,775	62,600	93,9000
2	42,300	63,450	74,025	84,600	126,900
3	53,300	79,950	93,275	106,600	159,900
4	64,300	96,450	112,525	128,600	192,900
5	75,300	112,950	131,775	150,600	225,900
6	86,300	129,450	151,025	172,600	258,900
7	97,300	145,950	170,275	194,600	291,900
8	108,300	162,450	189,525	216,600	324,900
For families/households with more than 8 persons, add $5,500 for each additional person					

Summary:

SECTION 1 of the proposed legislation inserts into Chapter 118E a new Section 69B, consisting of the following 11 subsections:

- Subsection (a) defines certain terms as understood within the context of the proposed Section 69B, including the following: "bad debt:; "hospital"; "debt buyer"; "eligible person"; "financial assistance policy"; "hospital"; "medical hardship"; "medically necessary services".

- Subsection (b) requires hospitals to implement a financial assistance policy for free or discounted care for emergency and medically necessary services available to all eligible persons at any point after such service is rendered, including during the collections process" up to the amount of the patient responsibility portion of their hospital bill. Patient eligibility and assistance provided is tiered as follows:
  - (b)(i) free care for the full amount for individuals whose household income is not more than 200% of FPL, or who are "experiencing medical hardship";
  - (b)(ii) 5% discount off of the full amount for individuals whose household income is between 201% and 300% of FPL;
  - (b)(iii) 50% discount off of the full amount for individuals whose household income is between 301% and 350% of FPL; and

- (b)(iv) 25% discount off of the full amount for individuals whose household income is between 3511% and 400% of FPL.

- Subsection (c) prohibits hospitals from considering the following factors when determining a patient's eligibility under the financial assistance policy:
  - (c)(i) immigration status;
  - (c)(ii) total cost of services provided; and
  - (c)(3) "contract language between a provider and payor that would otherwise limit a hospital's ability to offer free or discounted care to an eligible person under this section. Any such contract language shall be considered void."

- Subsection (d) requires hospitals to provide patients with both written and verbal notification of the financial assistance policy at registration and again at discharge.

- Subsection (e) requires hospitals to publicly display the financial assistance policy in registration or admittance areas, emergency departments, and financial service or billing areas. The public display must be produced in any language spoken by the lesser of 1,000 individuals or 5% of the community serviced.

- Subsection (f) requires the hospital to make the following documents available in any language spoken by the lesser of 1,000 individuals or 5% of the community serviced on its website, online patient portals, and on paper billing statements:
  - a full version of the financial assistance policy;
  - a plain language summary of the financial assistance policy; and
  - the uniform application form developed by EOHHS and the HPC pursuant to clause (i) of subsection (i).

- Subsection (g) requires hospitals to print on the first page of any written billing or collection communication the following statement: "You may qualify for free care or a discount on your hospital bill, even if you have insurance. Please contact our financial assistance office at [website] and [phone number]."

- Subsection (h) requires hospitals to issue a notice to patients that have submitted a completed financial assistance application form to disregard any bills pending a final decision on their application for assistance. Additionally, this subsection requires hospitals to issue a notice to the patient of any approval or denial with instructions on how to appeal a denied application. This subsection also requires hospitals to establish an appeals process.

- Subsection (i) directs EOHHS and the HPC acting jointly, and in consultation with the Health Safety Net Office, the Office of the Attorney General, the Massachusetts Health and Hospital Association, Inc., Health Care for All, Inc., a community organization representing low-income individuals, a legal services organization representing low-income individuals and any other representative deemed necessary, to develop:
  - (i)(i) a uniform hospital financial assistance policy application;
  - (i)(ii) financial counseling staff training guidelines on uniform application, financial policies, and use of interpreter services; and
  - (i)(iii) "standards for presumptive eligibility for financial assistance policies based on a person's eligibility for other state programs."

- Subsection (j) requires hospitals to annual report to CHIA the following aggregated data broken down by age, gender, race, ethnicity, primary spoken language, and insurance status:
  - (j)(i) total number of people that applied for financial assistance;

- (j)(ii) number of assistance applications approved, denied, or deemed incomplete;
- (j)(iii) financial reporting data including aggregate charity care, bad debt and services eligible for or reimbursed by the health safety net;
- (j)(iv) amount of bad debt sold to debt buyers for collection purposes; and
- (j)(v) any other relevant data deemed necessary.

- Subsection (k) directs the HPC, utilizing the hospital data submitted to CHIA pursuant to subsection (i), to provide an annual report to joint committee on health care financing and the senate and house committees on ways and means on the use of financial assistance policies and the impact on patients and hospitals.

SECTION 2 of the proposed legislation establishes an effective date for subsection (b) of SECTION 1 of this act set as 1 year after the effective date of the act.

SECTION 3 of the proposed legislation of the proposed legislation establishes an effective date for subsection (i) of SECTION 1 of this act set as 1 year after the effective date of the act.