

*This factsheet provides an overview of how lower-income patients can reduce their hospital bills. This guide was adapted from the National Consumer Law Center. This is not legal advice. Please consult an attorney about your particular situation.*

## **Don't Prematurely Pay Even Part of the Hospital Bill**

Depending on your income, your hospital bill may be waived or reduced. **There is no downside in delaying payment:**

- The major credit reporting agencies (Equifax, Experian, and TransUnion) have agreed not to report negative information about medical bills for 6 months.
- Bills are unlikely to be immediately sent out to a collection agency, and if that happens, a simple letter from you or your attorney often will stop the collection contact.
- By federal law, a hospital cannot deny a patient emergency room services because of unpaid hospital bills. Nonprofit hospitals cannot deny any form of care for at least 120 days after the hospital bill is sent.

You can delay any payment on the hospital bill until it is determined if you qualify for financial assistance. **Never put the hospital bill on a credit card**, as you then lose the ability to negotiate for lower amounts and may get stuck paying interest on bills that were not actually owed. A hospital will almost certainly charge less interest and be more forgiving than a credit card issuer.

## **Determine if You Are Eligible for Medicaid**

You should apply for Medicaid at the local Department of Human Services office.

In Maryland, Medicaid coverage is **retroactive to hospital bills from the prior three months** as long as you would have been eligible during that time.

## **If the Hospital is a Nonprofit, Understand Consumer Rights Under Federal Law**

The Affordable Care Act (ACA) **requires nonprofit hospitals to have a financial assistance program**. You should ask for a copy of the program policy to see if you are eligible.

**Get Free Legal Help!**

Apply online: [www.mvlslaw.org/apply-for-services](http://www.mvlslaw.org/apply-for-services)

Or call intake between 9 a.m. and 12 p.m. on Monday through Thursday at 410-547-6537 or 800-510-0050



# REDUCING HOSPITAL BILLS

## Apply for Financial Assistance

After determining whether your income and family size qualify under the hospital's financial assistance policy, **make sure the specific hospital procedure will also be covered** by the policy. Some procedures, such as cosmetic surgery may not be covered.

Next, find out how to apply for the assistance. You may have to provide a detailed budget, list of assets, information about family members, tax returns, or proof of income. You can **call the hospital's billing office** for more information. Do not delay applying for assistance.

## What to do if Financial Assistance is Denied

If you are denied assistance, some hospitals may have an **appeals process**. Pay attention to the time allowed for any appeal.

If you ultimately do not qualify for assistance, many hospitals provide **payment plans** to pay off the debt over an extended period of time. You should never agree to a payment plan that you cannot afford or that would prevent payment of other debts.

**Hospital debt should be treated as a lower priority debt** compared with rent, utility, mortgage and automobile loans, and most other forms of debt. Non-payment of other debts could have serious immediate consequences, while hospital debt may have little negative effect for six months and it may be years, if ever, before a judgment is taken against you for the debt. Also, hospital debt is fully dischargeable in bankruptcy.

When a judgment is taken against you, it will be important to determine your exposure to wage garnishment and seizure of bank accounts or other property. But some low-income patients may be totally judgment proof. For more information about judgments and garnishments, please see the respective factsheets on the MVLS website at [www.mvlslaw.org/get-legal-help/get-legal-information](http://www.mvlslaw.org/get-legal-help/get-legal-information).

If you want to **file a complaint against the hospital** for denying financial assistance, you can contact the Maryland Office of the Attorney General at (410) 576-6300.

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