Maryland Strategies to
Prevent Medical Debt

Balance Billing and Short-Term Insurance

The federal No Surprises Act (NSA) protects patients from surprise medical bills (also referred to as "balance bills"), which are unexpected costs from out-of-network providers. Under the federal legislation, patients receiving emergency care or who are unknowingly treated by out-of-network providers during an in-network procedure are only required to pay the in-network cost-sharing amount for services provided. Effective January 1, 2022, the No Surprises Act applies to most health plans but not all care sites and services. States can legislate additional protections for balance bills not covered under the NSA, such as for ground ambulances, or limit the number of short-term, limited duration health plans available in the state, which traditionally cover fewer services putting enrollees at greater risk of incurring balance bills. Strategies examine in this section include:

Prohibitions on Balance Billing for Ground Ambulance Services

Prohibitions on Short-Term, Limited Duration Health Plans

Charity Care and Community Benefit Requirements

This section reviews state laws aimed at preventing medical debt, including mandates for hospitals and health care providers to offer financial assistance policies, screen patients for insurance and charity care eligibility, and inform patients of charity care policies before collecting payment. Strategies examined in this section include:

Mandated Hospital Charity Care

Hospital Charity Care Screening Requirements

Hospital Charity Care Notification Requirements

Hospital Community Benefit Reporting Requirements

Reducing Financial Consequences

This section examines how a state regulates providers' ability to collect medical debt once it has been incurred. States can mitigate the financial harm of medical debt by regulating how and when providers and collection agencies pursue repayment or by limited aggressive collection actions. Strategies examined in this section include:

Mandated Waiting Period Prior to Sending a Bill to Collections

Limits on Liens or Foreclosures due to Medical Debt

Limits on Wage Garnishment due to Medical Debt

Limits on the Amount of Interest Charged to Medical Debt

Medical Debt Prevention

Balance Billing and Short-Term Insurance

Policy	Status as of June 2025	Summary
Prohibits Balance Billing for Ground Ambulance Services	Prohibits balance billing for out-of-network ground ambulance services	Maryland has established balance bill protections that apply to public ground ambulance services. However, these protections only apply if the ambulance service provider obtains an assignment of benefits from the insured. Private and public ground ambulance protections apply for HMO plans only. Private ground ambulance protections for PPO and EPO plans only. Non-emergency transport is covered in these protections.
Prohibits Short-Term, Limited Duration Health Plans	Short-term, limited duration health plans are not prohibited or eliminated	

State Has Active Policy or Program | Policy or Program Partially Implemented | State Does Not Have an Active Policy or Program | * No Source, or Limited Information Found

Medical Debt Prevention

Charity Care and Community Benefit

Policy	Status as of June 2025	Summary
Mandated Hospital Charity Care	State law requires hospitals to provide free or discounted care to low-income patients and sets standards for eligibility (see notes)	Hospitals in Maryland are required to provide free care to patients earning ≤200% FPL and reduced-cost care to those earning above 200% FPL, with additional provisions for those with incomes up to 500% FPL who face financial hardship.
Hospital Charity Care Screening Requirements	State law requires health care providers to screen patients for Medicaid, Marketplace, or charity care eligibility before collecting payment	Maryland hospitals are required to have trained staff available to help patients understand their rights and responsibilities related to financial assistance and how to apply for programs that may help cover their costs. Hospitals must also establish procedures to evaluate each patient's eligibility for charity care, including assessing insurance status, determining presumptive eligibility for free or discounted care, and helping uninsured patients explore public or private insurance options. Hospitals must also use any existing patient information to evaluate eligibility and suspend all billing or collection efforts while a submitted financial assistance application is under review.
Hospital Charity Care Notification Requirement	State law requires health care providers to notify patients of charity care options before collecting payment	Hospitals in Maryland are required to notify patients of financial assistance policies before discharge and in all billing communications, post notices throughout the facility, and provide simplified information sheets in the patient's preferred language.
Hospital Community Benefit Reporting Requirement	State law requires hospitals to annually report the amount of charity care provided	Hospitals in Maryland are required to submit annual reports to the Maryland Health Services Cost Review Commission, detailing the volume and demographics of financial assistance provided. The Commission compiles these into a publicly available statewide report.

State Has Active Policy or Program | Policy or Program Partially Implemented | State Does Not Have an Active Policy or Program | * No Source, or Limited Information Found

Medical Debt Prevention

Reducing Financial Consequences

Policy	Status as of June 2025	Summary
Mandates Waiting Prior to Collections	⊗ State law does not require a waiting period before sending medical debts to collections	
Limits on Liens or Foreclosures due to Medical Debt	● State law prohibits initiating a lien or foreclosure to collect medical debt	In Maryland, hospitals are not allowed to foreclose on a patient's home to collect medical debt. Beginning October 1, 2025, the state will also prohibit placing a lien on a patient's primary residence to collect unpaid medical debts.
Limits Wage Garnishment due to Medical Debt	● State law exceeds federal wage garnishment protections for residents with medical debt	Maryland law prohibits hospitals from garnishing a patients' wages if the patient is eligible for free or reduced-cost care.
Limits on the Amount of Interest Charged to Medical Debt	● State law limits interest rates on medical debt	Hospitals in Maryland may not charge interest on medical debt incurred by self-pay patients before a court judgment. Patients eligible for free or reduced-cost care cannot be charged interest at any time. For other patients on payment plans, interest may not accrue until at least 180 days after the first payment is due.

● State Has Active Policy or Program ◉ Policy or Program Partially Implemented ⊗ State Does Not Have an Active Policy or Program ✱ No Source, or Limited Information Found

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With support from Arnold Ventures, the Healthcare Value Hub provides free, timely information about the policies and practices that address high health care costs and poor quality, bringing better value to consumers. The Hub is part of Altarum, a nonprofit organization with the mission of creating a better, more sustainable future for all by applying research-based and field-tested solutions that transform our systems of health and health care.