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### **House approves Medicaid expansion**

#### **Legislators tie part of bill to approval of slots**

By Laura Smitherman

Sun reporter

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The General Assembly approved legislation early this morning aimed at reducing the ranks of residents without health insurance in Maryland, advancing a measure championed by advocates as the first step toward confronting a lack of access to medical care.

The House and Senate approved a bill that would provide coverage to more than 100,000 when fully implemented in five years, sending the measure to Gov. Martin O'Malley for his signature. The bill expands eligibility for Medicaid, the federal-state health insurance program for the poor, and extends subsidies to as many as 37,000 small businesses to help offset the cost of offering insurance to employees.

Passage of the bill sought by O'Malley would put Maryland in league with other states addressing health care, an issue that's risen to the forefront of politics. The Maryland effort still falls short of other state programs that aim to provide universal health coverage, but O'Malley has said he would continue to push toward that goal. About 800,000 state residents, or 14 percent of the population, lack health insurance.

"This is a significant step forward for the state of Maryland in reforming its health care system," said Del. Peter A. Hammen, chairman of the House Health and Government Operations Committee. "Is it costly? Yes. But is it worth it? Absolutely."

The expansion of government-funded programs, which would eventually cost more than \$600 million a year, including \$250 million in state funding as well as federal matching dollars, had been mired in questions over whether the state could afford it. Legislators have been meeting in a special session to fix a projected budget shortfall of \$1.7 billion.

Late last night, legislators agreed to add language to the bill sought by the Senate and intended to ensure that part of the Medicaid expansion happens only if voters approve slot machine gambling through a constitutional amendment on the November 2008 ballot. O'Malley envisions using slots revenue to help pay for the expansion.

O'Malley pledged that the expansion would have a pay-as-you-go feature, and the final bill also includes language that allows the administration to cap enrollment or limit benefits for childless adults if funding isn't available.

Senate President Thomas V. Mike Miller declined during the regular session this year to take up a similar health care bill that passed the House, noting budget concerns. His chamber did pass a version of the latest health care bill more than a week ago, but Miller warned that final approval would depend on passage of other revenue-raising measures.

House Speaker Michael E. Busch, a chief advocate for expanding coverage, postponed action on health care in the past week until his chamber acted on bills allowing slots if voters ratify the idea in a referendum. The House finished work on its slots bills early yesterday.

With 47 million Americans lacking health insurance and costs rising, health care has become the political watchword. Presidential candidates have unveiled their varying plans to expand coverage. And 28 states have considered measures on health care reform, said Richard Cauchi of the National Conference of State Legislatures.

Oftentimes, budgetary considerations have shaped the debate. Tennessee and Indiana have approved expansions this year, but their efforts don't call for the universal coverage envisioned by Massachusetts and Vermont, which passed more comprehensive plans in 2006.

Some House Republicans objected to increasing spending at a time of fiscal crisis. Del. Adelaide C. Eckardt, a GOP member from the Eastern Shore, failed to amend the bill to make it "revenue neutral," meaning it would be paid for by curtailing benefits or increasing cost sharing by Medicaid beneficiaries.

"Medicaid is one of the fastest-growing budgets we have not only in this state but in the country," Eckardt said. "This is the right bill at the wrong time."

Under Maryland's Medicaid expansion, adults earning up to 116 percent of the federal poverty level, or about \$20,000 a year for a family of three, would be eligible. Maryland covers children in families earning up to three times the poverty level, but the state has a much lower threshold for covering adults -- about 40 percent, or about \$5,000 a year.

The bill includes \$30 million in annual subsidies for small businesses with fewer than 10 employees as well as their employees. The subsidy is contingent on the employer offering a wellness benefit. The bill also includes funding for the troubled Prince George's Hospital Center.

Some revenue would be redirected from the state's uncompensated-care fund, which reimburses hospitals in the state for treating the uninsured to pay for the expanded eligibility. Backers of the expansion say that residents with private insurance would save money because the cost of treating the uninsured is passed on through higher rates charged by hospitals, which is built into insurance premiums.

An expansion in Medicaid could help residents like Barbra Lancelot of Silver Spring, who has been without insurance for six months since health problems forced her to leave her job. While she is navigating state bureaucracy to determine if she is currently eligible for Medicaid, she may earn too much money through part-time work to qualify.

"When health insurance disappears, things can get bad pretty fast," said Lancelot, who is on nine prescription medications. "I just hope nothing happens to me that I have to go to the doctor or hospital. People just don't realize how difficult it is, how precarious it is. One illness and you could be in my situation."

Vincent DeMarco, who has been lobbying on the issue since 1999 and serves as president of the Maryland Citizens' Health Initiative, said: "This is a great day for working families of Maryland."

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