

Health Care



For All

Maryland Citizens'
Health Initiative

Health Care for All!

Maryland Citizens' Health Initiative
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June 10, 2010

Honorable Anthony Brown

Honorable John Colmers

Governor's Coordinating Council on Health Care Reform

State House

Annapolis, MD 21401

Dear Lt. Governor Brown and Secretary Colmers:

Thank you for spearheading Governor O'Malley's creation of The Maryland Health Care Reform Coordinating Council. This Council epitomizes Maryland's laudable commitment to promoting all the opportunities in the new federal health reform law for Maryland.

The Maryland Health Care for All! Coalition is made up of over 1,200 health care, business, faith, labor, and community groups from around the state that have endorsed our Health Care for All! Plan. Our Coalition strongly believes that all Marylanders should have access to quality and affordable health care.

Over the past ten years, thousands of individual citizens have provided input at Coalition town meetings. Leaders from the business, labor, health care and civic communities have told us about the health care system changes that they need and desire. Based on this input, experts from The Johns Hopkins University Bloomberg School of Public Health and the University of Maryland Law School drafted our first Health Care for All! Plan in 2002 and released an updated version in 2008 (see www.healthcareforall.com). Though we are currently updating it to account for federal health reform changes, the 2008 Plan provides the basis for many of our suggestions to the Council today.

We recognize that tremendous progress has already been achieved to expand health care in Maryland during the O'Malley-Brown Administration. Since January of 2007, we have jointly worked to expand health care coverage to more than 170,000 parents, children and seniors in our state which has brought us from 44th in the nation in Medicaid eligibility for adults to 16th. And, we are very pleased that this expansion was partly funded by a one dollar a pack tobacco tax increase which substantially reduced smoking in Maryland and helped to give our state the fourth lowest smoking rate in the nation.

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Though we are thrilled about the landmark new federal health care reform which will expand health care coverage to over 32 million Americans, we will not fully achieve quality, affordable health care for all in Maryland unless we take additional steps. In order to help achieve our health care for all goal, we strongly urge that the Coordinating Council include the principles below in its recommendations to the Governor and General Assembly:

1. **Make health care more affordable.** There are significant provisions in the new federal health reform legislation that will make health care more affordable for both employers and consumers. Maryland should do more to make health care more affordable for all:
 - a. *Build a strong exchange pool and provide clear, simple ratings for exchange plans.* To maximize the pooling power of health care consumers and increase competition among insurers to contain rate increases, Maryland should merge the non-group and small group markets (rather than maintaining segmented markets) and allow larger businesses with more than 50 employees, possibly even including government entities, to participate in the exchange. Pooling risk for plans both inside and outside of the Exchange could reduce adverse selection and prevent the Exchange plans from having higher premiums. All plans offered through the exchange should be required to adhere to the "value-based insurance design" (VBID) criteria outlined below.
 - b. *Require full VBID plan offerings in the Exchange.* When properly constructed, VBID promises to give patients and providers incentives to utilize high value, evidence-based treatments and diagnostic tests through cost-sharing linked to value and efficiency. Experts estimate that VBID offerings could reduce health care inflation by up to a third.
 - c. *Provide higher subsidies for those who cannot afford traditional coverage in the Exchange.* The federal bill provides subsidies to help lower income individuals afford insurance through the exchange. We must, however, increase these subsidies to make health care fully affordable for all Marylanders. By increasing life-saving tobacco and alcohol taxes (e.g., see below), we can increase the level of subsidies so that the purchase of insurance through the exchange is affordable for all Marylanders.
 - d. *Employ Health IT to allow for greater cost savings.* We applaud the leadership the state has shown in electronic health record (EHR) initiatives. We are concerned that the PPACA requirements for EHR's will be difficult to achieve, and we encourage dialogue with the US Department of Health and Human

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Services to review the requirements to ensure that we can develop a practical approach, affordable, implementable approach to health care IT. We also encourage the state to include the consumer perspective on EHR's, and ensure that we take steps to include consumer access to their own records as a way to improve health and wellness. We hope that planning considers the needs of underserved populations that may not have strong computer literacy skills or easy access to the Internet.

- e. *Reduce Chronic Disease, Save lives, Lower Costs.* Additionally, we urge the Council to reduce the prevalence of and improve coordinated treatment protocol for those with chronic illnesses, especially older adults who deal daily with the effects of those illnesses. This population relies most on the health care system, and uses the most health care services, but with the poorest outcomes and the highest cost. One important avenue is to advantage provisions in the new federal law, such as funding to help prevent disease by combating smoking and obesity. Though Maryland proudly made great strides in the reduction of tobacco use, we must ensure that tobacco-related programs are fully funded to sustain this progress. Coordinating patient care and models such as medical homes represent another promising area as does quality incentives for hospitals and physicians. We commend the Administration and General Assembly for enacting the medical homes pilot legislation and we look forward to working with you to build upon it.
2. **Ensure full health care coverage for lower income Marylanders.** We are thrilled that the new federal reform will guarantee full Medicaid coverage for all Americans earning up to 133 percent of the poverty level beginning in 2014. And, like you, we are pleased that this Medicaid expansion will be fully funded by the federal government for the first three years and then 90 percent federally funded after that. Still, we must do more to make sure lower income Marylanders have full health care coverage. We emphatically urge that Medicaid coverage be expanded to childless adults with incomes up to 116% of the poverty level (where parents are now thanks to the 2007 Maryland law) beginning on July 1, 2011. The federal law's availability of federal matching funds for childless adults prior to 2014 would help fulfill the promise of the Working Families and Small Business Health Care Coverage Act of 2007 (delayed for childless adults because of the budget crisis).
 - a. *Fund this expansion by an additional dollar per pack tobacco tax increase (along with an increased tax on non cigarette tobacco products) and a "dime a drink" increase in the state alcohol tax.* Similar to the successful tobacco tax increase enacted in 2007, the alcohol tax increase would substantially reduce deaths and health care costs associated with alcohol abuse. The Maryland alcohol tax has not been increased since 1972 for beer and wine and 1955 for spirits; this public

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health measure is long overdue. After 2014, we recommend using the revenues from the life-saving tobacco and alcohol tax increases to supplement the subsidies which would then be received by people between 133 and 200 percent of the poverty level to make sure they can afford health care coverage through the state exchange.

- b. *Streamline applications for Medicaid, the subsidies, and other health care programs.* The great success of the 2007 Medicaid expansion was aided greatly by the wonderful work of DHMH to simplify the Medicaid application process (such as removing the interview and asset test requirements) and to deliver the applications directly to potentially eligible people. The Comptroller's office proved instrumental in this success. We hope to continue our joint efforts to build on this success to make the process as simple as possible when federal reform takes full effect.
3. **Educate the public about reform.** We strongly believe that we must persevere to make sure that people who are eligible for new health care expansions are fully informed and are swiftly enrolled. Our public relations and grassroots outreach campaigns in Baltimore City and the DC Suburbs, featuring Governor O'Malley and football stars Ed Reed and Chris Samuels, worked well to accomplish this for the Maryland health care expansion. Similar campaigns should be conducted throughout the state when federal health reform takes full effect.
4. **Recruit and Train Providers and Health Care Workers.** As hundreds of thousands of newly eligible Marylanders secure health care coverage over the next few years, we must ensure a corresponding network of racially and ethnically diverse health care providers and properly trained health care workers. Although the new federal reform legislation includes measures to increase primary care, more must be done. Our Health Care for All! Plan has always included incentives (such as reduced student loan payments) to encourage medical students to become primary doctors and to serve in underserved areas, as well as funding for training of health care workers. We must also account for the aging of our population. This includes making sure that we build a health care workforce that meets the needs of our aging population (especially care coordination), and supporting workers with appropriate expertise (including geriatricians, direct care workers, etc.). We strongly urge that your proposal to the Governor and General Assembly include these and other methods to make sure people can get the care they will be eligible for soon.

We greatly appreciate this opportunity to provide input into your process. We believe that the procedures you have proposed to obtain public input and make your decisions on what your recommendations will be are fair and reasonable. We, along with the health care experts who have advised us from the Johns Hopkins Bloomberg School of Public Health and University



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of Maryland School of Law, look forward to being part of this process and to assisting you in any way that we can.

As always, we are ready to work with you to educate the public about your process and your recommendations through our Health Care for All! Coalition. We are beginning to do this with two public forums we are putting together on the evening of June 24 and the morning of June 25 at the Johns Hopkins Bloomberg School of Public Health along with AARP, Families USA, Maryland Association of Non-profit Organizations, and Small Business Majority (see enclosed flyer). Please let us know of any other ways that we can help you.

Sincerely,

Vincent DeMarco President,
Maryland Citizens' Health Initiative Education Fund, Inc.