

# MedChi

*The Maryland State Medical Society*

1211 Cathedral Street  
Baltimore, MD 21201-5516  
410.539.0872  
Fax: 410.547.0915

1.800.492.1056

www.medchi.org

TO: The Honorable Thomas Mac Middleton, Chairman  
Members, Senate Finance Committee

FROM: Joseph A. Schwartz, III  
Pamela Metz Kasemeyer  
J. Steven Wise

DATE: February 22, 2012

RE: **SUPPORT** – Senate Bill 238 – *Maryland Health Benefit Exchange Act of 2012*

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The Maryland State Medical Society (MedChi), which represents over 7,600 Maryland physicians and their patients, supports Senate Bill 238.

Senate Bill 238 is “Act 2” in Maryland’s efforts to realize for its citizens the promise of the Federal Affordable Care Act. Maryland is currently a leader in the nation in preparing for the extension of health insurance coverage to the uninsured which is due to occur in January 2014. The Maryland Exchange was created by an act of the General Assembly in the last legislative session known as the Maryland Health Benefit Exchange Act of 2011.

The 2011 legislation established the Maryland Health Benefit Exchange (Exchange) as a public corporation and as an independent unit of state government. That legislation directed that issues concerning the operation of the Exchange should be proposed to the General Assembly in 2012 and Senate Bill 238 is that proposal. It is the work of the Exchange Board and the Advisory Committees to the Exchange which occurred from June through December of 2011 and resulted in a report to the Governor and the Maryland General Assembly on December 23, 2011 outlining Recommendations for a Successful Maryland Health Benefit Exchange (Recommendations).

MedChi believes that the December 2011 Report, which serves as the basis for Senate Bill 238, was both comprehensive and well conceived. MedChi members were involved throughout the deliberations of the various Advisory Committees. MedChi believes that there should be some guiding principles which it finds in Senate Bill 238.

First, the current insurance market, which is largely operated through health insurance agents and brokers, should not be disrupted and indeed, should be enhanced.

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Second, uninsured groups should have easy and understandable access to the Exchange and its offerings.

Third, the Exchange must ultimately be self-sustaining in order to be successful.

Fourth, the Exchange must not disturb the current insurance market so as to create “adverse selection” issues either for present insurance intermediaries or for the Exchange itself.

Each of these principles was studied in considerable detail as discussed in the December 23<sup>rd</sup> Recommendations. Moreover, there have been a number of stakeholders meetings since the General Assembly began (with another planned) to discuss amendments to the legislation.

MedChi believes that the entire process leading up to Senate Bill 238, including the current amendment process, has been open, transparent and responsive to a variety of concerns. In the end, it will be for the General Assembly to decide on specific details. MedChi supports the current version of Senate Bill 238 because it believes that it satisfies the basic four principles outlined above in that it will not disrupt the present marketplace, will allow uninsured populations access to insurance, it will be sustainable in the long run and it will avoid the problems of adverse selection. MedChi would urge a favorable report on Senate Bill 238.

**For more information call:**

Joseph A. Schwartz, III  
Pamela Metz Kasemeyer  
J. Steven Wise  
410-269-1618

cc: The Honorable Anthony Brown  
Governor’s Legislative Office