



The Maryland State Medical Society

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TO: The Honorable Peter A. Hammen, Chairman
Members, House Health & Government Operations Committee
The Honorable Heather Mizeur

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

DATE: February 11, 2009

RE: **SUPPORT** – House Bill 272 – *Maryland Coverage Affordability and Revenue Efficiency Standards Act*

The Maryland State Medical Society (MedChi), which represents over 7,200 Maryland physicians and their patients, supports House Bill 272

House Bill 272 will increase the medical loss ratios for health insurance policies issued in the Maryland small group market from the present level of 75% to 85%, in the individual market from the present level of 60% to 85% and in the Medicare supplement policy market from the present level of 75% to 85%.

House Bill 272 tracks, in principal part, the proposal of the Maryland Insurance Administration with respect to medical loss ratios contained in Senate Bill 79. MedChi supports both of these proposals.

MedChi believes that the ever increasing cost of health insurance cannot be reconciled with the constant decline in physician reimbursement rates. It appears that health insurance companies are accruing too much profit and too much surplus. Indeed, these companies appear to be the primary beneficiaries of the present health insurance system.

House Bill 272 and Senate Bill 79 stand for the common sense proposition that health insurance policies should purchase health care; if health insurers don't spend an adequate percentage of the premium dollar on health care, the excess should be returned to the policyholders or be used to adequately reimburse physicians and other health providers who have been constantly squeezed by these same companies.

MedChi would urge a favorable report on House Bill 272.

For more information call:

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