MEDCHI, THE MARYLAND STATE MEDICAL SOCIETY
HOUSE OF DELEGATES

Resolution 8-20

INTRODUCED BY: MedChi's Task Force to Study the Implications of Implementing New Payment Systems in Maryland

SUBJECT: Final Report of MedChi's Task Force to Study the Implications of Implementing New Payment Systems in Maryland

---

Whereas, At the Fall 2018 MedChi House of Delegates, Resolution 30-18 was passed establishing a Task Force to "study the implications of implementing new payment systems in Maryland, including, but not limited to, a single payer health care system and a Maryland public option. The payment systems task force shall report to the Fall 2019 MedChi House of Delegates meeting its findings and recommendations;"

Whereas, The concept of payment systems for health care in the United States is complex. In the 1930s and 1940s, payments for health insurance premiums were included in workers' contracts with large employers as a means of increasing effective compensation without actually having to increase take-home pay. As time went on, this system of employer financed health care became ubiquitous and entrenched. Many employers eventually found this system to be too expensive, and began decreasing (or eliminating) these payments to shift some or all of the health care costs to their employees, especially with the decrease in the power and effectiveness of the workers' unions; and

Whereas, Many other countries in the Europe took a different approach, deciding that health care is a right of all citizens, and centralized the payment systems within government. Even still, there developed multiple variations on the theme, from fully funded government systems (England) to combinations of private-public partnerships (Germany); and

Whereas, In recent years, due to the ever-increasing burden of health care payments on government and industry budgets, various groups have undertaken overhauls of the system to provide better health care at a reduced price to the system. This culminated in President Obama's signature health care program, the Affordable Care Act ("ACA") which set out to reduce health care expenditures, enroll non-insured people into an insurance program, and standardize the "essential health benefits" that all Americans would enjoy. This was met by fierce opposition by conservative and industry groups in efforts to weaken or eliminate some or all of its provisions. In a landmark Supreme Court case, *National Federation of Independent Business v. Sebelius*, 567 U.S. 519 (2012), the Court ruled that the concept or requiring people to purchase insurance was valid, but the current administration has reduced the fine involved to be 0. Other legal challenges continue, most notably *Texas v. US*, in which several State Attorney Generals are attempting to invalidate the entire ACA; and

Whereas, Into this mix, the election of 2016 saw the rise of the voice of Senator Bernie Sanders, proposing a system of "Medicare For All", in which the government would assume the bulk, if not all, of health care spending and thus be able to control costs and ensure quality care. Needless to say, this proposal caused significant controversy, both for and against. Other variations have emerged, which are currently in the public sphere; and

Whereas, Maryland has long participated in the debate for controlling health care costs, firstly by its participation in the decades long system of the "Medicare Waiver" or Total Cost of Care System. This attempts to limit the growth of spending by hospital systems in providing inpatient care, and, by extension, some of the outpatient care. In addition, the State Legislature established a Maryland Health Insurance Coverage Protection Commission (MHICPC), chaired by Senator Brian Feldman and Delegate Joselyn Pena-Melnyk. The MHICPC recommended, and the State Legislature passed, many changes to Maryland law to allow the State to offer many of the benefits offered by the ACA, including subsidies for premiums for insurance products offered through the Maryland Health Exchange, guaranteed coverage, and alternatives to fines for non-coverage. These provisions had some funding through 2024, but further funding past that date would need to be identified. It is to be noted that the MHICPC did not promulgate a plan that would provide comprehensive insurance coverage for all residents of the state; and

Whereas, In recent years, great pressure has been placed upon the ACA by the administration of President Trump, resulting in a piecemeal dismantling of its provisions. The current iteration of this process is the case brought by a number of State Attorneys General, led by Texas, and opposed by California, to completely invalidate the law altogether (California v. Texas, formerly known as Texas v. United States). This case will be heard in the fall of 2020, and possibly decided in 2021. MedChi will continue to monitor the situation. Some members of our task force are strongly in favor of comprehensive coverage for all, and others were strongly opposed. The financial outlook does not seem in favor of that being a likely scenario in the near future; therefore be it

Resolved, that the MedChi Task Force to Study the Implications of Implementing New Payment Models in Maryland be disbanded and that the Legislative Council and the Board of Trustees monitor and address future issues and concerns related to payment systems in Maryland.

Fiscal Note: No significant fiscal impact.