

Testimony SB 667
Universal Health Care Program
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March 5, 2014

I have been an advocate for universal health care for many years. As the Affordable Care Act has been rolling out, I have followed the process to set up an insurance exchange in Maryland.

Lt. Governor Brown, Secy. Sharfstein and many others have worked very hard to achieve a functional outcome. As you all know, the rollout of the exchange, called the **Maryland Health Connection** (<http://marylandhealthconnection.gov/>) has been less than seamless, and many Marylanders have been unable to buy health insurance through the new system, leaving many uninsured and many frustrated.

The current system of multiple payers is inefficient and creates incentives to avoid taking care of those in need. Maryland has been trying to do it the Affordable Care Act way. But **there is a better way: a publicly financed but privately delivered system.**

In previous years, Senator Pinsky and others have supported the **Health Security Act** which is designed to create a public health insurance pool for the whole state while maintaining the current mixed delivery system. Dr. Gerald Friedman of the University of Massachusetts did an economic impact study in 2012 that demonstrates substantial financial savings for the state going into the future with such a system.

The bill for which I am testifying today mandates the board of directors of the Maryland Health Benefits Exchange (aka the Maryland Health

Connection) to develop a plan for universal health care financing for all residents of the State by 2017. The purpose is to get ready for transition to a single-payer system which will be **universal, efficient and less expensive**.

Unfortunately, the ACA prohibits states from implementing single payer systems until 2017. After that date waivers will be available to incorporate federal dollars into Maryland's newly created public health insurance system. The ACA does not, however, prohibit states from working out a plan so that they will be ready to act when the time comes. Vermont has already done this and will be moving toward a publicly-financed health care system in 2017. Senator Pinsky's bill moves Maryland toward such a plan.

The majority of health care in Maryland is already publicly financed (Medicare, Medicaid, VA, military, tax breaks for employers, etc.) so this is not an insurmountable transition. After developing the Maryland Health Connection, state leaders are well-versed in many aspects of health care financing. Secy. Josh Sharfstein, Carolyn Quattrocki from the Governor's Office, Secy. of HC Financing Chuck Milligan and many others are ready to accomplish what this bill mandates.

I believe that one of the problems with setting up the exchange was that too much of the work was outsourced to companies outside of Maryland including Noridian and Engagepoint. We have the expertise here in our state to create a world-class health care financing system. The all-payer hospital system in Maryland has been a shining star. Now it is time to create an **all-patient** system that provides **health care for all, is high quality and costs the state less** in the long run.