

NEWS RELEASE AND STATEMENT ON MEDICAL CARE FOR THE INDIGENT

December 29, 1967

In the face of skyrocketing hospital costs and a tight budget squeeze, Governor Agnew today ordered a cutback in Maryland's program of providing free medical care for certain indigent people.

At the same time, he sharply criticized Federal regulations which prevent the State from establishing effective controls over the spiraling cost of the program.

In a letter to Dr. William J. Peeples, State Health Commissioner, the Governor directed that the State stop reimbursing the medical costs of those people who do not now qualify for Federal Medicaid assistance.

The action, effective January 1st, will apply to approximately 10 percent of the more than 270,000 people who are now qualifying for free medical care under the State program. They are between the ages of 21 and 65, are not permanently and totally disabled, and do not have a child in the home.

Governor Agnew emphasized that the action will not affect those persons in the lowest economic circumstances. It does not apply to anyone now receiving welfare payments nor will it apply to the blind, the aged, the disabled and families with dependent children.

The Governor also said expectant mothers, whatever their age, will continue to receive prenatal care in Health Department clinics and hospital delivery care.

"I take this step with deep regret, and only after diligent efforts to find some other solution to the problem," Governor Agnew said in a statement at a specially called news conference.

"The plain fact of the matter is we are forced into this action by the rapid escalation of hospital costs and by the refusal of the Federal government to allow us to impose realistic controls — such as placing a ceiling on the amount we will pay for any one individual's care or limiting reimbursement for a person's stay in the hospital to a specific maximum number of days.

"We budgeted a total of \$46 million for this program in the current fiscal year on the basis of an average cost of \$47 per day for in-patient care in hospitals. This seemed a realistic figure at the time