

WHEREAS, The amount of uncompensated care provided by Maryland hospitals has increased from \$72 million in 1981 to \$354 million in 1992; and

WHEREAS, Any initiative to expand access to quality health care coverage must include measures to contain health care costs; and

WHEREAS, Maryland's hospital rate setting program has slowed the increase in hospital costs; and

WHEREAS, The average cost of a hospital admission in Maryland increased 3.7 percent last year compared to 8 percent nationally; and

WHEREAS, The passage of the Federal Employee Retirement and Income Security Act (ERISA) permitted employers to self-insure and leave the community pool; and

WHEREAS, ERISA has destroyed the health insurance market; and

WHEREAS, The federal government and the United States Congress have failed to amend ERISA and restore the community pool health insurance; and

WHEREAS, Competition between insurers for healthy risks makes it difficult for individuals and small groups to obtain health insurance coverage at any price; and

WHEREAS, Self-insurance and the emphasis on experience rating encourages employers and consumers to only be concerned about their own health care costs and not the entire community; and

WHEREAS, Maryland has a comprehensive data base on hospital costs and services but no comparable information on costs and services rendered by other health care providers; and

WHEREAS, An appropriate mix of private market competition and government controls is necessary to expand access, control costs, and improve quality; and

WHEREAS, Self-insurance and experience rating do not provide appropriate incentives to encourage the delivery of quality care by efficient providers; and

WHEREAS, Providers, payors, and planners must undertake cooperative efforts to develop appropriate guidelines for the practice of efficient medicine; and

WHEREAS, Maryland's corporate, government, and nonprofit communities can provide the leadership needed to resolve our health care crisis by voluntarily joining a community insurance pool thereby allowing the managed cooperation of health care providers, payors, and planners; ~~now, therefore, and~~

WHEREAS, The State should apply for a Medicaid waiver that would allow recipients of Aid to Families with Dependent Children (AFDC) benefits to be included in the community pool so that the size of the pool can be enlarged and the overall benefits of this health insurance reform program can be enhanced; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows: