

**TESTIMONY OF VINCENT DEMARCO, EXECUTIVE DIRECTOR OF THE
MARYLAND CITIZENS' HEALTH INITIATIVE BEFORE THE COMMISSION ON
MARYLAND'S FISCAL STRUCTURE**

November 7, 2002

Chairman Puddester and members of the Commission, thank you for inviting me to testify today on behalf of the Maryland Citizens' Health Initiative. Joining me today is Sean Cavanaugh, a consultant to the Initiative. We applaud the General Assembly and Governor for creating this Commission. Responsible Marylanders welcome this opportunity to take a long hard look at our State's fiscal situation and our ability to meet the needs of Maryland citizens. We also applaud Speaker Taylor for putting forward a well-thought out plan to expand health care access in our State that can be the foundation for accomplishing all of our health care goals.

As you may know, the Initiative is a coalition of over 1600 organizations throughout the State of Maryland committed to ensuring that every Marylander has access to quality, affordable health care regardless of their health, income, race, or gender. This year the Initiative has undertaken two steps toward that goal. First, we are spending time revising our draft plan for universal health coverage that was first unveiled in September of 2001. We expect to have a new plan ready for public release by the end of this year. We received plenty of helpful comments on our draft plan from supporters and opponents alike, and we are taking great care to seriously consider all of this input.

This summer, the Initiative also devoted considerable resources to championing three measures that will improve health care for Marylanders. The Initiative called upon candidates for state office to endorse these three principles:

- Maintaining CareFirst as a strong, non-profit health plan with a more community-oriented board.
- Increasing Maryland's cigarette tax by 36 cents per pack to help fund quality affordable health coverage and to reduce teen smoking.
- Authorizing the State to negotiate with drug manufacturers for fair prescription drug prices for seniors and others without prescription drug coverage.

We are pleased to announce that all three of these points were endorsed by seventy Members of the incoming House of Delegates, and eighteen incoming Senators (see list on back).

We urge this Commission not to count on the revenues associated with the proposed CareFirst sale and for-profit conversion. Opposition to this conversion is very strong in the general public and among state policymakers. Marylanders want CareFirst restored as a socially responsible, locally owned health plan. In addition, we strongly urge this Commission to endorse cigarette taxes as the best way to finance health care coverage expansions, as well as reduce teen smoking. Finally, we are pleased that DHMH is implementing a mechanism to make Medicaid a more prudent purchaser of prescription drugs. Our proposal would build on this work and allow those without drug coverage to receive the discounted prices negotiated by Medicaid.

Again, Mr. Chairman, thank you for inviting us to testify today. The Initiative looks forward to working with this Commission, the new General Assembly, and the new Governor, to ensure that all Marylanders receive the health care services they need.