

SENATE JOINT RESOLUTION 1

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1999 Regular Session
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By: **Senators Baker, Green, Hollinger, and Hoffman**
Introduced and read first time: January 18, 1999
Assigned to: Budget and Taxation

SENATE JOINT RESOLUTION

1 A Senate Joint Resolution concerning

2 **State Tobacco Settlement Funds - Medicaid Recoupment**

3 FOR the purpose of urging the Congress of the United States to enact and the
4 President of the United States to support and sign legislation to prohibit the
5 federal government from recouping any portion of state tobacco settlement
6 funds; and generally relating to Medicaid recoupment.

7 WHEREAS, On May 1, 1996, the State of Maryland filed suit in the Circuit
8 Court for Baltimore City against a number of manufacturers of tobacco products for
9 monetary damages, civil penalties, declaratory and injunctive relief, and restitution;
10 and

11 WHEREAS, The complaint in Maryland's suit alleged that, over many years, the
12 State paid billions of dollars in Medicaid costs to treat smoking-related illnesses; and

13 WHEREAS, On November 20, 1998, Maryland joined a national settlement with
14 the tobacco industry under which the tobacco industry will pay the states a total of
15 \$206 billion to settle all state lawsuits pending against it; and

16 WHEREAS, Maryland's share of the settlement is approximately \$4.4 billion;
17 and

18 WHEREAS, Medicaid is a federal-state entitlement program under which the
19 federal government shares in the cost of providing covered services to eligible
20 individuals; and

21 WHEREAS, The federal Medicaid statute provides that the federal government
22 is entitled to a pro rata share of the net amount recovered by a state from liable third
23 parties in payment for the amounts the state spent under Medicaid on behalf of
24 eligible individuals; and

25 WHEREAS, The Health Care Financing Administration, which administers the
26 Medicaid program at the federal level, believes that it is authorized and obligated to
27 collect its share of any tobacco settlement funds attributable to Medicaid
28 expenditures; and

1 WHEREAS, The national tobacco settlement was solely attributable to states'
2 efforts and was reached without any assistance from the federal government; and

3 WHEREAS, Unlike the federal appropriations process, the Constitution of
4 Maryland requires the State budget to be balanced each year; and

5 WHEREAS, The payments to Maryland under the settlement will be used to
6 fund important initiatives and programs; now, therefore, be it

7 RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That the
8 General Assembly of Maryland urges the Congress of the United States to enact and
9 the President of the United States to support and sign legislation to prohibit the
10 federal government from recouping any portion of state tobacco settlement funds; and
11 be it further

12 RESOLVED, That a copy of this Resolution be forwarded by the Department of
13 Legislative Services to the Maryland Congressional Delegation: Senators Paul S.
14 Sarbanes and Barbara A. Mikulski, Senate Office Building, Washington, D.C. 20510;
15 and Representatives Wayne T. Gilchrest, Robert L. Ehrlich, Jr., Benjamin L. Cardin,
16 Albert R. Wynn, Steny Hamilton Hoyer, Roscoe G. Bartlett, Elijah E. Cummings, and
17 Constance A. Morella, House Office Building, Washington, D.C. 20515.