

SENATE JOINT RESOLUTION 1

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1999 Regular Session
9r0610

By: ~~Senators Baker, Green, Hollinger, and Hoffman~~ Hoffman, Currie, DeGrange, Hogan, Kasemeyer, Lawlah, McFadden, Middleton, Munson, Neall, Ruben, Stoltzfus, and Van Hollen ~~Van Hollen, Miller, Astle, Blount, Bromwell, Colburn, Collins, Conway, Della, Dorman, Dyson, Exum, Ferguson, Forehand, Frosh, Hafer, Haines, Hooper, Hughes, Jacobs, Jimeno, Kelley, Madden, Mitchell, Mooney, Pinsky, Roesser, Sfikas, Stone, and Teitelbaum~~

Introduced and read first time: January 18, 1999
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted with floor amendments
Read second time: February 17, 1999

RESOLUTION NO. _____

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

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

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

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

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

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

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

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

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