

Department of Legislative Services  
Maryland General Assembly  
2005 Session

FISCAL AND POLICY NOTE

House Bill 421 (Delegate Hurson)  
Health and Government Operations

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Department of Health and Mental Hygiene - Maryland Medical Assistance  
Program - Reporting by Large Employers on Enrolled Employees

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This bill requires an employer with at least 10,000 employees (large employer) that does not provide health insurance benefits to its employees to report annually to the Department of Health and Mental Hygiene (DHMH) on the number of people it employs as well as the number of its employees enrolled in Medicaid. DHMH must report this information annually to the General Assembly, and make it available to the public, although it may not contain any personal identifying information on the employees.

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Fiscal Summary

**State Effect:** The reporting requirements could be handled with existing DHMH budgeted resources. No effect on revenues.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** There is no health benefits reporting requirement for large employers.

**Background:** Several states, facing rapidly-increasing Medicaid costs, are turning to the private sector to bear more of the costs. Wal-Mart, in particular, has been the focus of several states who are accusing the company of providing substandard health benefits to its employees. According to the *New York Times*, Wal-Mart full-time employees earn on average \$1,200 a month, or about \$8 an hour.

Several states claim many Wal-Mart employees end up on public health programs such as Medicaid. A survey by Georgia officials found that more than 10,000 children of Wal-Mart employees were enrolled in the state's Children's Health Insurance Program at a cost of nearly \$10 million annually. Similarly, a North Carolina hospital found that 31% of 1,900 patients who said they were Wal-Mart employees were enrolled in Medicaid, and an additional 16% were uninsured.

As a result, several states have turned to Wal-Mart to assume more of the financial burden of its workers' health care costs. California passed a law in 2003 that will require most employers to either provide health coverage to employees or pay into a state insurance pool that would do so. Advocates of the law say Wal-Mart employees cost California health insurance programs about \$32 million annually. Washington State is exploring implementing a similar state law.

According to the *New York Times*, Wal-Mart says that its employees are mostly insured, citing internal surveys showing that 90% of workers have health coverage, often through Medicare or family members' policies. Wal-Mart officials say the company provides health coverage to about 537,000 people, or 45% of its total work force. As a matter of comparison, Costco Wholesale provides health insurance to 96% of eligible employees.

There are several employers in Maryland that employ more than 10,000 employees, including the State, the federal government, Verizon, Giant Food, Wal-Mart, and Johns Hopkins University.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** *New York Times Examines Debate Over Wal-Mart Health Coverage Policies (November 1, 2004)*, The New York Times; [www.walmartfacts.com](http://www.walmartfacts.com); Department of Business and Economic Development; Department of Health and Mental Hygiene (Medicaid); Department of Labor, Licensing, and Regulation; Department of Legislative Services

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