

Funding Health Equity Resource Communities is the Right Choice for Maryland

Position Statement Supporting Senate Bill 172

Given before the Budget and Taxation Committee

All Marylanders deserve access to high-quality, affordable health care. Health inequities based on race, ethnicity, disability and place of residence persist throughout the state, as shown in maternal and infant mortality rates and other measures. In underserved areas of the state, people with chronic conditions such as hypertension, heart disease, asthma, diabetes, and substance and mental health disorders have worse health outcomes and are less able to get the care and treatment they need. **The Maryland Center on Economic Policy supports Senate Bill 172 because there shouldn't be a 20 year gap in life expectancy depending on where you live in Maryland.**

Health Equity Resource Communities would provide additional resources to underserved communities around the state. Service providers in those communities could compete for grants and other financial incentives to address poor health outcomes that result from inequitable access to care by race, ethnicity, disability, and geographic location. This initiative is based on a 2012-2016 pilot program that successfully increased access to health resources, improved residents' health and reduced hospital admissions. Supporting improved health and reducing preventable hospital admissions will result in lower overall health care costs, including lower insurance premiums for everyone.

A slight increase in the state's alcoholic beverage sales tax will generate necessary funds to pay for this initiative. Increased alcohol taxes are also linked to a reduction in drinking, including by underage Marylanders and heavy drinkers, which in turn will save lives and reduce health care costs. Maryland has not raised its alcoholic beverage sales tax since 2011 and its rate has fallen behind that of Washington, D.C. A recent report found that the 2011 alcohol beverage sales tax increase contributed to reductions in underage drinking, binge drinking, driving under the influence, and sexually transmitted infections¹.

While Maryland is a leader in many health and public health initiatives, we still have longstanding inequities and disparities ingrained in our system. Additional barriers to accessing health care and meeting other basic needs mean that Marylanders of color, on average, experience reduced life expectancy, educational attainment, home ownership compared to white Marylanders. The COVID-19 pandemic has further exposed these health inequities and highlighted the need to address them and otherwise improve health outcomes in our state. **For these reasons, the Maryland Center on Economic Policy respectfully requests the Budget and Taxation Committee to make a favorable report on Senate Bill 172.**

Equity Impact Analysis: Senate Bill 172

Bill Summary

Senate Bill 172 will established Health Equity Resource communities around the state that compete for grants and other financial incentives to address poor health outcomes that result from inequities by race, ethnicity, disability, and geographic location. The initiative would be funded by increasing the alcoholic beverage tax by one penny per dollar.

Background

This initiative is based on a 2012-2016 pilot that successfully increased access to health resources, improved residents' health, reduced hospital admissions, and created cost savings. Maryland has not raised its alcoholic beverage sales tax since 2011 and its rate has fallen behind that of Washington D.C. The 2011 alcoholic beverage sales tax increase led to significant reductions in underage drinking, binge drinking, driving under the influence, and sexually transmitted infections. Supporting health and reducing preventable hospital admissions will result in lower overall health care costs, including lower insurance premiums for everyone.

Equity Implications

Senate Bill 172 would bring significant equity benefits to disadvantage communities in Maryland such as;

- Reducing health disparities
- Improving health outcomes
- Improving access to primary care
- Promoting primary and secondary prevention services
- Reducing health care costs and hospital admissions

Impact

If passed, the bill would have a significant impact with reducing health disparities that are closely linked with social, economic, and environment disadvantages that adversely affects Marylanders who systematically experience greater obstacles to health care. **Senate Bill 172 would like improve racial, ethnic, and economic equity in Maryland.**

ⁱ The Abell Foundation (2018) Public Health Policy in Maryland: Lessons from Recent Alcohol and Cigarette Tax Policies <https://abell.org/sites/default/files/files/Abell%20Public%20Health%20Report%20022718.pdf>