

**SB547 - Commission to Study Health Insurance Pooling – Establishment
Request FAVORABLE with friendly amendment**

In 2018, the General Assembly unanimously enacted - and Gov. Hogan signed - HB1400 which would allow pooling for the purpose of purchasing health insurance between the state, the counties, and the school systems. Please see the Op-Ed from March 2024, also submitted, which describes this.

Identifying and implementing efficiencies in government operations is almost always a good idea. In this case, the likelihood is money would be saved while improving coverage options for government employees. As state legislators yourselves, if you get your health insurance through the state, you know how good it is. Why not make that available for all Maryland's government employees at levels? When the bill was introduced in 2018, about 10 states were doing this. When I last checked with NCSL (and you can ask now), over 20 states had this arrangement.

Common sense dictates that the larger the pool, the more the risk and cost in spread. That's the whole concept of insurance.

You might ask, "If this is such a reasonable idea, why hasn't it happened?" I wish I had a good answer, but there are several reasons that have been identified. These include comfort in continuing to do business the way it's always been done and discomfort with change; fear of loss of control and local input; and vested interests with a stake in the status quo.

At the very least, each jurisdiction ought to do the analysis of cost and coverage in an open and transparent manner including all stakeholders. And yes, there will be details to sort out, but it's not that hard. The results will show whether this makes sense or not. That this has not been done already is regrettable.

It shouldn't take a budgetary crisis for this to happen. The current fiscal options appear to be to raise taxes/fees/surcharges and/or cut needed programs. HB1400 (2018) and SB547 (2025) offer another approach. Because this has not been fully or properly evaluated, SB547 should be enacted so that its Commission members can fully and clearly identify the benefits, concerns, and options to assess this common-sense pooling purchase system. Given the cost of health insurance, even a small percentage reduction could lead to significant savings.

Funds flow from the state to the counties and schools, and money flows into the state and counties from taxpayers. Fundamentally, we are all in this together. We are One Maryland.

Let me offer a friendly amendment. It would call for an interim report by December 1, 2025. As it stands, the legislation calls for it to take effect July 1, 2025, but the first report isn't due until "On or before December 1, 2026." Given the fiscal pressures, there is enough time for the Commission to meet, investigate the issues, and generate an interim report by December 1, 2025 which could be of benefit for the 2026 legislative session.

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