

**Statement of Stockton Williams  
Vice President for Public Policy  
Enterprise**

**On the Health Care for All Plan  
For the Maryland House of Delegates  
Ways and Means Committee**

**March 2, 2004**

Thank you, Chairwoman Hixson, Vice Chairwoman Healey and members of the Committee for this opportunity to share with you the views of the Enterprise Social Investment Corporation (ESIC) on the Health Care for All Plan.

ESIC, a subsidiary of Enterprise, provides private capital to support the development of affordable housing and commercial projects as part of community revitalization efforts nationwide. ESIC has invested \$3.4 billion to finance more than 60,000 homes for low-income families and individuals, with thousands more homes and more than half a billion dollars of investment in the pipeline. ESIC has invested \$322 million to finance more than 6,600 homes in Maryland. We, like our nonprofit parent Enterprise Foundation, are based in Columbia, Maryland, where 142 of our 186 employees work. ESIC's annual revenue was \$44 million in 2003.

ESIC, like Enterprise, strongly supports the Health Care for All Plan. We urge this Committee to approve it in legislative form by passing The Public-Private Partnership for Health Coverage for All Marylanders bill (HB 1008).

The Committee is undoubtedly aware of the health care crisis facing this nation and our state. Last month, the National Academy of Sciences concluded that "The lack of health insurance for tens of millions of Americans has serious negative consequences and economic costs not only for the uninsured themselves but also for their families, the communities they live in, and the whole country. The situation is dire and expected to worsen."

Without health insurance, people are more likely to forgo health care they need, over burden emergency health services and require hospital care for more serious health problems. The individuals and families affected bear the most direct human and financial costs. But all of us pay a price. The National Governor's Association recently reported, "The cost of treating the uninsured is borne largely by governments, which must reimburse providers for uncompensated care, and employers and the private market through cost shifting."

Today, nearly 700,000 Marylanders lack health insurance and 800,000 more have inadequate coverage, according the Maryland Citizen's Health Initiative. Maryland can and must act now to address this issue

ESIC supports Health Care for All as a Maryland-based business and as a provider of decent, affordable homes to families who often struggle mightily to meet their health care needs, if they are able to meet them at all.

As a Maryland-based company, we are acutely aware of the imbalance in employer-provided health coverage among companies in the state. Some companies end up paying more than their fair share to cover for those that provide less. The Health Care for All Plan would ensure a level playing field by equalizing private employers' health care contributions. Under the plan,

businesses with 10,000 workers or fewer would make a contribution equal to 4.5 percent of their payroll. Businesses with more than 10,000 workers would contribute an amount equal to 8 percent. These payroll contributions would apply only to the first \$87,000 of employee earnings and would be offset by state tax credits.

By requiring all Maryland companies to pay a fair, equal share of health costs, the Health Care for All Plan helps prevent a "race to the bottom" in which employers cut health benefits to gain an advantage in the marketplace over their competitors. By removing the disincentive under current law from providing fuller health benefits, the plan would create a more stable and equitable business climate in the state. We believe that's a good thing overall for Maryland businesses. We are educating other Maryland employers about the benefits of the plan and encouraging them to join us in support.

The Health Care for All Plan would not negatively impact the state's budget. Its \$666 million cost would be fully funded with new revenue, from employer contributions, increased federal matching funds and other revenues. An independent analysis found that the plan would have relatively minor impacts on employment levels and employer retention in our state. Out-of-pocket expenses for health care would increase somewhat for the average family, but many families would save money or pay no more than they do now. *And every Marylander would have access to affordable health care.*

That would be a huge step forward for Maryland's low- and middle-income families. Many live in the homes we have financed. They are the people we all depend on, but too often forget: the service and custodial workers, teaching and health care aids, manual laborers and clerical staff and so many others who are the glue to our economy and our communities.

A recent poll found that health care was first and housing second among the most serious problems Marylanders identified in their areas, ahead of jobs, crime and environmental issues. We see a direct connection in our work to housing and health care, which are typically two of the highest costs for low-income families. Many of the low-income people we and our partners serve face agonizing choices as a fact of life: pay rent on time and forgo (for now) a needed medical procedure; or get the treatment they need and run the risk of eviction for overdue rent; or simply do without adequate food, clothing, child care or transportation so they can afford decent housing and health care.

We know from abundant research that living in rundown housing directly contributes to a multitude of individual health problems such as , " from infectious diseases, chronic illnesses, injuries, poor nutrition, and mental disorders." We see in our daily experience how hardships caused by lack of access to health care and living in run down or unaffordable housing exacerbate one another.

Ultimately, we must have a comprehensive set of supports to address the interrelated problems that prevent too many low-income Marylanders from reaching their fullest potential. The Urban Institute recently noted, "strategies to increase health insurance coverage need to be incorporated into approaches that address the fundamental economic problems faced by low-income families." As the Committee moves forward on what we hope will be passage of HB 1008, we urge it to keep that broader point in mind.

Health care needs are serious and worsening. Despite the rhetoric from both sides in an election year, little help is likely on the way from Washington, D.C. States must drive innovation in health care as they have done on so many other vital issues. From California to Maine to Louisiana to Idaho, states are asking their employers to help them meet rising health care needs. Maryland has always been a leader, not a follower. The time to act is now. We urge every member of the Maryland House of Delegates to support passage of the HB 1008 this year.

Institute of Medicine of the National Academies , *Insuring America's Health: Principles and Recommendations* , January 2004, Washington, DC p. 1.

NGA Center for Best Practices: "Doing More with Less: Recent State Coverage Expansions," November 2003, p. 1.

See "A Public-Private Partnership for Health Care for All Marylanders: Cost and Coverage Impacts Analysis," The Lewin Group, October 28, 2003.

Krieger and Higgins, "Housing and Health: Time Again for Public Health Action," *American Journal of Public Health* , May 2002, Vol. 92, No. 5, p. 758.

Long, "Hardship Among the Uninsured: Choosing Among Food, Housing and Health Insurance," Urban Institute, May 21, 2003, p.6.