



NEWS

AMERICANS FOR TAX REFORM

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Gov. Ehrlich Defends Taxpayers With Veto Promise

Senate passes tax increase on HMOs, hurting poor and adding to the ranks of the uninsured.

WASHINGTON – Gov. Robert Ehrlich (R) called the Maryland General Assembly into special session on Tuesday to consider medical liability reform. High medical liability insurance premiums are driving double digit increases in healthcare costs, and are driving some doctors out of the medical business altogether.

The heart of any medical malpractice reform is a cap on economic and non-economic damages patients can sue for. The Maryland Senate passed an alternative plan last night that weakens the proposed caps, and that seeks to raise up to \$80 million in new taxes by creating a new tax on HMO premiums.

“The Maryland Senate is not serious about tort reform,” said Grover Norquist, president of Americans for Tax Reform (ATR). **“Its version of medical liability reform guts the caps needed to bring costs under control. Worse, it applies new taxes to insurance coverage, making health insurance more expensive, not less. HMOs have successfully covered a growing number of previously-uninsured workers and families, by delivering quality healthcare at lower costs. By raising the cost of HMOs, the Senate would push the lowest rung of families out of the health insurance market.”**

Over the past three years, medical liability insurance premiums, which doctors need to carry in order to protect themselves, have nearly doubled. Prices increased by 10% in 2002, 28% in 2003, and a projected 33% for the current year, according to the Washington Times. These rising premiums are forcing doctors to raise their fees, and to order expensive “defensive” tests and procedures to protect themselves from lawsuits. Some doctors say they will close their practices if reform is not passed soon.

Norquist further added, **“The Maryland Senate has put the trial lawyer lobby ahead of the health of the people of Maryland. The proposed tax increase is nothing but a money grab by big spenders in Annapolis while they dodge the real issue of tort reform. As passed by the Senate, the bill deserves to be vetoed. Gov. Ehrlich deserves praise for his leadership and commitment to Maryland’s healthcare system.”**

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Chris Butler at (202) 785-0266 or at cbutler@atr.org.