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## **What Will ObamaCare Really Cost Maryland?**

*O'Malley commission on health care costs presents overly optimistic projections on bill's ultimate price tag*

(ROCKVILLE, MD) – It was nearly one year ago that a deeply-divided Congress passed President Barack Obama's sweeping and highly controversial overhaul of the nation's healthcare system. The Patient Protection and Affordable Care Act, which has come to be known colloquially as "ObamaCare," set in motion fundamental changes to the way we fund and regulate our healthcare, at both the federal and state levels.

So what will ObamaCare cost Maryland? That's the question posed by Maryland Public Policy Institute senior fellow Marc Kilmer in a study released today. Kilmer examines the provisions of the Obama plan and makes estimates of its ultimate cost to Maryland's taxpayers. He also raises questions about the findings of a commission established by Gov. Martin O'Malley to determine the economic impact of ObamaCare.

O'Malley's panel, the Health Care Reform Coordinating Council (HCRCC), advised the governor that the new law would impose \$1.852 billion in new costs on the state, save the state \$2.105 billion and produce nearly \$576 million in tax revenue. But those numbers, Kilmer argues, are overly optimistic, and assume a level of Medicaid spending that is almost certainly too low.

Those low-balled Medicaid numbers are key. While the O'Malley commission report estimates that the number of Marylanders covered by Medicaid would only increase marginally (14.1 percent currently to a projected 14.3 percent by 2017), Kilmer points to a Heritage Foundation study estimating that Medicaid rolls will skyrocket to nearly 31 percent under ObamaCare.

The latter estimates seem more in line with what we historically know about government – and government programs. "The idea that vastly expanding the state's Medicaid eligibility will only result in a slight increase in Medicaid enrollment seems highly unlikely," Kilmer argues. "In general, government health care programs tend to exceed estimated costs."

While the HCRCC report is a serviceable outline of the changes Marylanders can expect in their health care, its findings are skewed both by glaring omissions and questionable interpretations of data that lead it to underestimate – and perhaps significantly underestimate – the fiscal impact ObamaCare will have on the state.

"The day this bill passed, the President told us all that 'this is what change looks like,'" said Maryland Public Policy Institute president Christopher Summers. "Maryland is certainly in for change with this legislation. But the numbers don't add up. We've seen the future, and it looks like it could be very expensive."

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*The Maryland Public Policy Institute is a 501 (C) (3) nonpartisan public policy research and education organization that focuses on Maryland public policy issues.*