

March 10, 2014

The Honorable Martin O'Malley, Governor
State House
Annapolis, MD 21401

The Honorable Anthony Brown, Lieutenant Governor
State House
Annapolis, Maryland 21401

Dear Governor O'Malley and Lieutenant Governor Brown:

We write, again, with grave concerns regarding Maryland's Health Care Exchange. It is our view that it is time to stop throwing good money after bad and abandon the exchange and transfer Marylanders to the federal system.

Maryland's Health Benefit exchange was supposed to be the model for the country. However, in the intervening months between its abysmal launch and continued problems that exist even today, it is now abundantly clear that Maryland's exchange is a model of what *not* to do.

We freely admit our opposition to the federal Affordable Care Act (ACA) and our fight against its implementation in Maryland. However, no matter how we may feel about it from a policy perspective, the ACA is the law of the land. Any significant inquiry that has been made to state officials has been met with half-truths at best, but more often total obfuscation. With the hundreds of millions of state and federal taxpayer dollars being pumped into the Exchange, Maryland's government is either unwilling or unable to take the necessary steps to make this Exchange functional. It is time to cut the losses for the taxpayers.

As you may be aware, Maryland's Exchange is not likely to meet its enrollment goal for private *plans* by the March 31st deadline. Even though the initial goal of 150,000 people was significantly reduced to 70,000 in mid February, as of March 1 only 38,070 had signed up for private plans.

The cost of the Exchange is over \$300 million through FY 2015. Just last week we learned that expected revenues will be over \$200 million below estimates. Analysts project a deficit of nearly a half a billion dollars by 2016 if spending is not curtailed. At a time when state finances are so strained that serious consideration is being given to reneging on Maryland's pension obligations, how can we as policy makers justify continued spending on failed system?

We would hope you would give serious consideration to this suggestion. It is time to cut this albatross from the necks of our citizens.

Sincerely,

Nicholaus R. Kipke
Minority Leader

Kathy Szeliga
Minority Whip