



**SB 172 Maryland Health Equity Resource Act**  
**Senate Budget & Taxation Committee. January 27, 2021**

**SUPPORT**

The Maryland-DC Society of Addiction Medicine (MDDCSAM) is a chapter of the American Society of Addiction Medicine and represents physicians and associated healthcare professionals from different disciplines with expertise in the treatment of addiction; including internal medicine, family medicine, emergency medicine, pain management, psychiatry, nursing, social work, and counseling. MDDCSAM enthusiastically supports passage of the Maryland Health Equity Resource Act.

The people of Maryland experience significant disparities in health resources based on race, ethnicity, income level, and geographic location. For example, residents of predominantly Black, lower income neighborhoods have, on average, 15-20-year shorter lifespans than those living in predominantly White, upper income neighborhoods.<sup>1</sup>

HB 463 provides a proven, cost-effective remedy for these health disparities. It builds on the successful model of Health Enterprise Zones, which operated from 2013-2016. The HEZ program generated a \$93 million net reduction in health care costs from an investment of \$16 million in state funding.<sup>2</sup> Scientific studies of Health Enterprise Zones conducted by Johns Hopkins University showed the following benefits:

- 18,562 fewer inpatient hospital stays, saving \$168.4 million<sup>3</sup>
- Created almost 300 new jobs<sup>4</sup>
- Majority of neighborhood health care providers reported that the program improved their ability to serve local patients, especially financial incentives such as tax credits<sup>4</sup>

This proposed health equity resource program would be funded by a one cent on the dollar increase in the alcohol beverage tax. This is the same mechanism as funded the successful Health Enterprise Zone program. Such a tax increase would also likely generate other public health benefits, such as reduced underage drinking, reduced driving after drinking by adolescents, and reduced binge drinking by adults.<sup>5</sup>

(cont'd . . . )

(. . . cont'd)

In view of the community health benefits that would be generated from this program, whose financial benefits would far outweigh the expense in tax dollars, the Maryland DC Society of Addiction Medicine strongly supports passage of HB 463/SB 172.

<sup>1</sup>Baltimore City Health Department 2017 Neighborhood Health Profile Reports <https://health.baltimorecity.gov/neighborhood-health-profile-reports>  
2018 Report “Uneven Opportunities: How conditions for wellness vary across the metropolitan Washington Region.” Page 38. <https://www.mwcog.org/documents/2020/10/26/uneven-opportunities-how-conditions-for-wellness-vary-across-the-metropolitan-washington-region-health-health-data/>

<sup>2</sup>Bullard AJ, et al. *Achieving Health Equity: Health Impact of Maryland’s Health Enterprise Zones*. Johns Hopkins Center for Health Disparities Solutions, Sept. 10, 2020.

<sup>3</sup>Gaskin DJ, et al. The Maryland Health Enterprise Zone Initiative Reduced Hospital Cost and Utilization in Underserved Communities. *Health Affairs*, vol. 37, no. 10 (2018): 1546–1554.

<sup>4</sup>Gaskin DJ. *Impact of Community-Based Intervention on Hospital Utilization –the Maryland Health Enterprise Zone Initiative*. Johns Hopkins Bloomberg School of Public Health. Feb. 23, 2018.

<sup>5</sup>Porter KP, et al. Public Health Policy in Maryland: Lessons from Recent Alcohol and Cigarette Tax Policies. *The Abell Report*. Volume 31, Number 2, Feb. 2018.

\*\*\*\*\*