

JOINT RESOLUTIONS SIGNED
by the
PRESIDENT OF THE SENATE
and the
SPEAKER OF THE HOUSE OF DELEGATES

Joint Resolution No. 1

(Senate Joint Resolution No. 1)

A Senate Joint Resolution concerning

State Tobacco Settlement Funds - Medicaid Recoupment

FOR the purpose of urging the Congress of the United States to enact and the President of the United States to support and sign legislation to prohibit the federal government from recouping any portion of state tobacco settlement funds; and generally relating to Medicaid recoupment.

WHEREAS, On May 1, 1996, the State of Maryland filed suit in the Circuit Court for Baltimore City against a number of manufacturers of tobacco products for monetary damages, civil penalties, declaratory and injunctive relief, and restitution; and

WHEREAS, The complaint in Maryland's suit alleged that, over many years, the State paid billions of dollars in Medicaid costs to treat smoking-related illnesses; and

WHEREAS, On November 20, 1998, Maryland joined a national settlement with the tobacco industry under which the tobacco industry will pay the states a total of \$206 billion to settle all state lawsuits pending against it; and

WHEREAS, Maryland's share of the settlement is approximately \$4.4 billion; and

WHEREAS, Medicaid is a federal-state entitlement program under which the federal government shares in the cost of providing covered services to eligible individuals; and

WHEREAS, The federal Medicaid statute provides that the federal government is entitled to a pro rata share of the net amount recovered by a state from liable third parties in payment for the amounts the state spent under Medicaid on behalf of eligible individuals; and

WHEREAS, The Health Care Financing Administration, which administers the Medicaid program at the federal level, believes that it is authorized and obligated to collect its share of any tobacco settlement funds attributable to Medicaid expenditures; and

WHEREAS, The national tobacco settlement was solely attributable to states' efforts and was reached without any assistance from the federal government; and