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Testimony of Rep. Jane Pringle introducing
**LD 303, An Act to Provide Health Insurance, Reduce Administrative
Burdens, Reduce Costs and Improve Health Outcomes**
Before the Joint Standing Committee on Health Coverage, Insurance and Financial Services

Senator Bailey, Representative Perry and honorable colleagues on the Health Coverage, Insurance and Financial Services Committee, I am Representative Jane Pringle and I live in and represent District 107, part of Windham. I am here to present LD 303, An Act to Provide Health Insurance, Reduce Administrative Burdens, Reduce Costs and Improve Health Outcomes.

We have all heard presentations to this committee about the failings of the U.S. healthcare system. We spend almost 20% of our GDP on healthcare and we consistently rank last or near last in access, equity, and administrative efficiency and health outcomes.

We are losing healthcare providers to burn out from the administrative burdens which have grown exponentially over the past 2 decades. Our hospitals are finding it harder to be paid for the care they provide and patients are facing bankruptcy from healthcare debt. The cost of care and the failure to keep our people healthy is a drag on our economy.

Our belief over the past century that the marketplace and competition is the best way to produce the best healthcare has been proven wrong. It is time to recognize that healthcare is a common good and that we as a community can find a way to solve this problem.

This bill is a concept draft proposing a path to creating a health insurance system for the state of Maine which is equitable, covers everyone, is non-profit and invests in primary care and allows patient choice of providers.

It proposes that we build on the current system of employer based insurance and public programs, but it changes the coverage by standardizing the coverage and payments throughout the system and makes coverage seamless from employer to employer or when someone is not in the workforce. This is the system used in Germany and is referred to as the Bismarck model. (See T.R. Reid's The Healing of America.)

Maine has already begun to build a system with the ACA marketplace and Clear Choice Design Health Plans but these efforts have not been able to eliminate the complexity of contracts between various health insurers. Efforts at transparency fail because anti-trust laws keep insurers and hospitals from publishing the rates they negotiate with each other.

I am proposing that we could take the approach used to bring stakeholders together to find ways to solve the problems we are having with EMS services.

The bill lists the various stakeholders involved in healthcare in Maine. I believe that this group should be able to reach a consensus on the charges for all healthcare services that will enable us to develop the uniform “charge master”. I assume that we would need to ask Medicare for approval to pilot this Maine health plan. I hope that those with experience in health policy and the interplay of Federal and State law can help determine how to transition from for profit health plans to a non-profit health plan.

I believe that it is time for a fundamental change in our approach to health care. It will not be easy but it will be lifesaving.

Thank you for your consideration and I am happy to answer any questions.