



**Testimony in Opposition to LD 1070:**  
“Resolve, to Study a Medicaid Forward Plan for Maine”

Senator Ingwersen, Representative Meyer, and the distinguished members of the Committee on Health and Human Services, my name is Harris Van Pate. I serve as policy analyst for Maine Policy Institute. Maine Policy is a free-market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in opposition to LD 1070.

LD 1070 proposes a study to explore the expansion of MaineCare to individuals under 65 with incomes exceeding 138% of the federal poverty level (FPL) who are not otherwise insured. While the intent to increase healthcare access is commendable, Maine Policy has significant concerns regarding the potential cost and market implications of such an expansion.

**Expansion of Government Programs:**

Broadening MaineCare to include individuals with incomes up to—and potentially exceeding—400% of the Federal Poverty Level (FPL) would represent an unprecedented expansion of state-administered health care, placing thousands of additional Mainers on publicly-funded coverage. This dramatic expansion of government into the health insurance market would blur the line between a safety-net program and a universal government healthcare plan.

To understand the scale of the steps it proposes: for a household of two, the 400% FPL threshold is \$84,600 per year—\$13,000 more than Maine’s median household income of \$71,773, according to the U.S. Census Bureau.<sup>1 2</sup> This cutoff would apply to a household size smaller than the statewide average (2.0 persons vs. Maine’s average of 2.29), meaning the median Maine household *at least* would qualify for this expanded MaineCare program, with a more than \$10,000 buffer.

Moreover, more than two-thirds of Maine households fall below that \$84,600 threshold, meaning a substantial majority of Mainers would become eligible for publicly funded health coverage under multiple steps of this proposal.<sup>3</sup> Even individuals earning far above the median would qualify. The median individual income in Maine is \$38,152, yet the 400% FPL cutoff for an individual is \$62,600—a staggering 164% of the median Mainer’s income.

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<sup>1</sup> <https://www.medicaidplanningassistance.org/federal-poverty-guidelines/>

<sup>2</sup> <https://www.census.gov/quickfacts/fact/table/ME/HSG010223>

<sup>3</sup> <https://statisticalatlas.com/state/Maine/Household-Income>



Looking more closely at household income distribution in Maine<sup>4</sup>:

- Over 40% of households earn less than \$42,300 (200% FPL for a household of two),
- Over 49% earn less than \$63,450 (300% FPL),
- And more than two-thirds fall under the \$84,600 threshold (400% FPL).
- And of course, the last step in this proposal would cover Mainers of any income level.

In effect, this proposal transforms Medicaid from a means-tested safety net into a quasi-universal public option, available to households earning well above the average income in this state. Doing so would not only be fiscally irresponsible, it would also undermine the competitive private insurance market, which is essential for driving innovation, improving quality, and holding down long-term costs.

Rather than encouraging personal freedom and upward mobility, this policy risks fostering dependency on public programs among middle-income Mainers with access to employer-based or marketplace coverage. By displacing private insurers and reducing consumer choice, such a policy would fundamentally reshape Maine's health care landscape—with long-term consequences for access, quality, and cost.

### **Financial Sustainability and Fiscal Impact:**

The proposed expansion could impose considerable financial strain on Maine's budget. While federal funds might offset some costs initially, the long-term fiscal responsibility would rest with the state. This raises concerns about potential tax increases or reallocating funds from other critical services to sustain the expanded program.

For the 2023 fiscal year, MaineCare was 32% of the state budget.<sup>5</sup> Combining this with the fact that the same year's General Fund spending was approximately \$4.3 billion, MaineCare cost Maine \$1.376 billion for the 2023 fiscal year.<sup>6</sup> Currently, approximately 30% of Maine is enrolled in Mainecare, which means this proposal could potentially cost

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<sup>4</sup> <https://statisticalatlas.com/state/Maine/Household-Income>

<sup>5</sup>

<https://www.seacoastonline.com/story/news/local/2025/03/25/mainecare-potential-cuts-whats-at-stake-for-healthcare-in-maine/82628297007>

<sup>6</sup>

<https://www.urban.org/policy-centers/cross-center-initiatives/state-and-local-finance-initiative/projects/state-fiscal-briefs/maine#:~:text=Maine%20enacted%20its%20supplemental%20FY,residents%20in%20calendar%20year%202023.>



Maine up to double the current program costs.<sup>7</sup> Maine is currently facing a budget shortfall and a four-year presidential administration begging for reasons to cut our state's funding. We simply don't have an extra \$5.5 billion to spare to provide universal single-payer healthcare over future biennia.

## **Impact on Private Insurance Markets and Hospitals**

Extending public healthcare coverage to higher-income individuals may disrupt existing private insurance markets. Employers would be incentivized to drop coverage, relying instead on public options, which could lead to a contraction of the private insurance market and reduced choices for consumers.

Historically, Medicaid reimbursement rates are lower than those of private insurance,<sup>8</sup> and have also been prone to funding unpredictability and delays due to inevitable interparty legislative debates.<sup>9</sup> An expansion could exacerbate this issue, potentially leading to decreased provider participation and longer patient wait times, ultimately hindering quality care access.

## **Conclusion**

In light of these concerns, we urge the committee to consider the broader economic and fiscal costs of LD 1070. We recommend exploring alternative approaches that enhance healthcare access without expanding government programs, such as fostering a more competitive private insurance market and implementing targeted reforms to reduce healthcare costs. Thank you for your time and consideration.

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<https://mainemorningstar.com/2025/01/17/maine-is-particularly-vulnerable-to-federal-medicaid-cuts-due-to-rural-aging-population/>

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<https://perkinsthompson.com/practice-area/medicaid-mainecare-planning/#:~:text=MaineCare%20pays%20the%20difference%20between,rate%20for%20the%20nursing%20home.>

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<https://www.maine.gov/dhhs/oms/providers/provider-bulletins/attention-providers-update-capping-mainecare-payment-cycles-2025-02-26#:~:text=On%20February%2010%2C%202025%2C%20we,to%20temporarily%20withhold%20payments%20to>