



## **Testimony in Opposition to LD 1269:**

**Resolve, to Study the Costs and Funding of a Universal Health Care Plan for Maine”**

Senator Bailey, Representative Mathieson, and the distinguished members of the Committee on Health Coverage, Insurance and Financial Services, my name is Harris Van Pate and 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 1269, “Resolve, to Study the Costs and Funding of a Universal Health Care Plan for Maine.”

While this proposal is framed as a mere study, it is in fact a thinly veiled first step toward implementing a publicly funded universal health care system at the state level—an approach that has failed repeatedly across the country and would be catastrophic for Maine’s fiscal health and economic competitiveness.

### **Failed Precedents in Other States**

History offers sobering lessons. In Vermont, a state ideologically to the left and demographically similar to Maine, an attempt to implement single-payer health care was abandoned in 2014 after the projected cost nearly doubled the entire state budget. Governor Peter Shumlin, once an advocate of the plan, admitted that the required tax increases—a proposed 11.5% payroll tax and a personal income tax hike up to 9.5%—would have been economically devastating.<sup>1 2</sup>

In 2016, Colorado voters rejected a similar proposal by a margin of 79% to 21%, a state that had elected Democrats in three consecutive presidential elections.<sup>3</sup> The plan would have imposed a 10% tax on all income, including non-wage earnings like Social Security benefits and small business income.<sup>4</sup>

Maine cannot afford to ignore these cautionary tales. Proposals to fund universal health care inevitably lead to massive tax increases on individuals, families, and employers—particularly small businesses that are already struggling under rising costs and labor shortages.

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<sup>1</sup>

<https://www.forbes.com/sites/theapothecary/2014/12/21/6-reasons-why-vermonts-single-payer-health-plan-was-doomed-from-the-start/>

<sup>2</sup> <https://www.vox.com/2014/12/22/7427117/single-payer-vermont-shumlin>

<sup>3</sup> <https://www.politico.com/2016-election/results/map/ballot-measures/colorado/>

<sup>4</sup> [https://ballotpedia.org/Colorado\\_Creation\\_of\\_ColoradoCare\\_System,\\_Amendment\\_69\\_\(2016\)](https://ballotpedia.org/Colorado_Creation_of_ColoradoCare_System,_Amendment_69_(2016))



## **Threat to Maine’s Economy and Small Businesses**

A universal health care system in Maine would require new taxes totaling billions of dollars annually. Small businesses, which account for 99.2% of all Maine businesses, would be the hardest hit.<sup>5</sup> Forced to shoulder a massive new tax burden to fund a government-run health care system, many would be left with no choice but to cut jobs, raise prices, reduce wages, or shut down altogether. This is not a recipe for better health care—it’s a recipe for economic ruin.

## **Better Alternatives: Market-Based Innovation**

Rather than exploring failed government mandates, Maine should focus on free-market reforms that expand access to care and lower costs through competition and choice. Direct Primary Care (DPC) is one such model that reduces costs by bypassing the third-party insurance bureaucracy, empowering patients and physicians alike.

Additionally, expanding access to telemedicine, reducing the scope of burdensome regulations like certificate-of-need (CON) laws, and enabling the licensure of more out-of-state providers are all effective, proven, and patient-centered reforms that preserve personal freedom and enhance quality of service.

## **The Wrong Time for the Wrong Study**

Finally, with Maine’s Office of Affordable Health Care still in its early stages, and with significant federal uncertainty around health care financing and entitlements, this study is premature. Moreover, it is fiscally irresponsible to divert state resources—even for a “study”—toward ideas that have repeatedly failed. This is especially true during a time with already rising state healthcare plan costs and declining state revenues.

## **Conclusion**

Maine Policy Institute urges this committee to reject LD 1269. Our state cannot afford to waste time, energy, or resources on fantasies of universal government-run health care that have proven financially ruinous in every instance. Instead, we must focus on common-sense, market-based reforms that improve care, protect taxpayers, and preserve individual liberty.

Thank you for your time and consideration.

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<sup>5</sup> <https://stacker.com/stories/money/small-business-statistics-every-state>