

Testimony in favor of LD 1883, An Act to Enact the All Maine Health Act

Presented to the Joint Standing Committee on Insurance and Financial Services

May 4, 2017

Good afternoon, Senator Bailey and Representative Kristi Mathieson and Members of the Joint Standing Committee on Health Services, Insurance, and Financial Services.

My name is Beth Franklin, I live in Cumberland, and I'm here because I support the notion that every person should have access to quality healthcare.

I served on the Falmouth School Board about ten years ago and as chair of the board for two of those years. During my tenure as chair, we innocently began investigating how we might lower our health care premiums, and we discovered that if we could move the teachers to the same plan as the town employees, we would save about \$400k in the \$24m budget. We were exuberant! We had no idea that the MEA Benefits Trust had been set up specifically to administer the health insurance program for the state's teachers, and that we had no options for doing anything different.

I know this is an issue that this committee has dealt with specifically in the past, and I'm not here to revisit it. I just want to point out the underlying motivations in our for profit system of health care that makes real and meaningful change so difficult. The following is an excerpt from an article in the Portland Press Herald from Tuesday, April 19<sup>th</sup>, 2011, entitled "Teachers' Union \$80M Benefits Trust Under Fire."

"Since 1993, the MEA Benefits Trust has accumulated assets of \$80.2 million from administrative fees and rebates received from the insurer, and from appreciation and interest earned on assets."

Christine Burke, director of the MEA Benefits Trust, reported that year that annual premiums to Anthem have grown over the years to nearly \$400 million.

In testimony, Burke told your committee during testimony, "We are Anthem's largest client on the Eastern Seaboard."

The article goes on to calculate the total net revenue for the MEA Benefits Trust for that year as being \$8.7 million. And, can you imagine what Anthem's net revenue was?

The United States has developed a mind numbing system of maximizing profit out of treating sick people. This is just one larger example of groups who are profiting, not from healing the sick or caring for the dying, but from slicing and dicing the population into risk categories, and then administering those convoluted schemes that allow our for profit system of medicine to maximize return for shareholders. But make no mistake; these profits are created at the expense of the common good and drive up the cost of healthcare for all of us. There will come a time soon when the cost of providing healthcare benefits for public employees will overwhelm our local and state budgets and prohibit expenditures on other vital services. Speaking of public servants, I don't begrudge the MEA Benefits Trust for managing what is a huge and extremely complex system; the point is that it doesn't have to be that way. Just think how much more fairly we could treat our teachers if school districts weren't responsible for healthcare. I can tell you that the conversation around the bargaining table would have been very different. In fact, if employment was de-coupled from health care altogether because everyone was covered through one universal system, I'm convinced that we'd all be healthier, wealthier and more productive. Imagine what it would do to organizations of every size, both large and small, public or private, if health care was taken off their backs and provided in a way that was equitable and predictable.

So the question at this point is what kind of system would serve us better and would it really constrain costs, and that's what the bill before you is designed to answer. Please support LD 1883, and give us a chance to examine options that are working for so many other developed countries around the world.