601 Pennsylvania Avenue, NW
South Building, Suite 500
Washington, D.C. 20004
T 202.778.3200
F 202.331.7487
ahip.org

May 14, 2025

Senator Donna Bailey, Senate Chair
Representative Kristi Mathieson, House Chair
Of the Joint Standing Committee on Health Coverage, Insurance and Financial Services
c/o Legislative Information Office
100 State House Station
Augusta, ME 04333

RE: AHIP Comments on LD 1883, An Act to Enact the All Maine Health Act – OPPOSE

To Chairs Sen. Bailey and Rep. Mathieson, and Members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services,

On behalf of AHIP, thank you for the opportunity to offer comments on ways to achieve universal, high-quality coverage.

We agree and believe that all Americans should have both high-quality and affordable health insurance coverage choices. We do not believe – and facts do not support – that creating the All Maine Health Plan would produce that outcome. Completely overhauling the state's health care system into a one-size-fits-all government system would cause negative consequences, including higher costs and reduced choice for Mainers. It also would undermine both the progress made by private health plans in expanding coverage and innovating care delivery and the sustainability of the state's health care system.

We offer the following comments in opposition to LD 1883, which does not promote affordable, high-quality health care.

States that have attempted to enact statewide government-controlled health care systems have found them impossible to implement. In Vermont, the government had to abandon its efforts to institute a single-payer system after predicting that they would need to institute a new employer payroll tax of 11.5 percent and an individual income tax of up to 9.5 percent to finance the program, while projecting that the program would save only 1.6 percent over 5 years.[1] Former Governor Peter Shumlin argued that the current health care structure in the United States makes it difficult to enact single-payer on a state level because a vast majority of people are covered through tax-deductible employer-sponsored insurance.[2] It is difficult, he noted, to transition those people to a single-payer system because they are reaping more benefits under the current system, and their taxes would increase substantially under a single-payer system. Shumlin acknowledged that no state can implement a single-payer system under the current federal system.

In 2016, Coloradans defeated Amendment 69, a ballot initiative to enact a single-payer system. The initiative included new taxes for employers and individuals, which would have nearly doubled state government spending.[3] The Colorado Health Institute predicted that the program would slide into ever-

[1] McDonough, John. The Demise of Vermont's Single-Payer Plan. New England Journal of Medicine. April 23, 2015.
[2] Interview with Governor Peter Shumlin. Politico State Solutions Conference. February 2016.
[3] 2016 State Ballot Information Booklet. Legislative Council of the Colorado General Assembly. September 12, 2016.

increasing deficits unless taxes were increased because the program's revenues would not be sufficient to keep up with increasing health care costs.[4]

In addition, to implement a universal health, single-payer system like the one envisioned in LD 1883, the state would have to apply for numerous waivers from the federal government relating to Medicaid, CHIP, Medicare, and the commercial market. None of the existing waivers are meant to implement this type of system, and it is unknown whether the federal government would approve waivers for such an effort or fund such a broad expansion of state government-run health care coverage.

Government-run health care systems do nothing to increase access to health care. Data suggests that countries with single-payer systems generally fail to provide their citizens with timely access to care. In 2022, Canadian specialist physicians reported a median waiting time of 27.4 weeks between referral from a general practitioner and receipt of treatment – up from the wait of 25.6 weeks reported in 2021.[5] Moving to a one-size-fits-all government insurance system in Maine will create similar harm for consumers, and will lead to less competition, less innovation, and less efficient health care with higher taxes and costs for all Maine families and employers. Simply, it would require Mainers to pay more to wait longer for lower-value care.

Maine has done a tremendous amount of work to ensure patients get access to timely, quality care. Imposing a single-payer health care system could harm the work it has done to date to promote the interests of consumers. We should instead focus on filling the gaps in the current health care system, including investing in workforce development and increasing access to care in rural areas. This bill does nothing to address those issues.

Economic Considerations. Forcing every Mainer into a universal health, single-payer system will result in higher taxpayer burdens and budgetary pressures for Mainers and federal taxpayers. Such a system would require significant government funding to remain viable, raising concerns about its long-term fiscal sustainability and its potential negative impact on economic stability.

For example, in 2017, the RAND Corporation estimated that financing a single-payer system in Oregon would require increases in personal income taxes by 6-8 percent and increased employer payroll taxes for all businesses with more than 20 workers.[6]

Additionally, in California, the Legislative Analyst's Office estimated that enacting a single-payer system in California could cost around $400 billion annually and require new state tax revenues in the hundreds of billions of dollars.[7] Sponsors of their failed single-payer legislation proposed new excise taxes, payroll taxes, and personal income taxes to pay for their program, with no data to show that the proposal could even be implemented or that it would save money.

AHIP Recommendations: Instead of implementing an unaffordable, single-payer system, AHIP recommends strengthening existing public-private partnerships to address gaps in coverage and the underlying drivers of high health care costs that impact premium affordability. Improvements to health care competition in provider, pharmaceutical, and other markets that drive the cost of care will help provide Americans more choices, better quality and lower costs.[8]

AHIP opposes LD 1883 and stands ready to collaborate on solutions that spur robust competition, ensure market stability, foster innovation, and improve outcomes for all.

---

[4] ColoradoCare: An Independent Analysis – Finances. Colorado Health Institute. August 2016.
[5] Waiting Your Turn: Wait Times for Health Care in Canada, 2022 Report. Fraser Institute. December 8, 2022
[6] White, Chapin et. al. A Comprehensive Assessment of Four Options for Financing Health Care Delivery in Oregon. RAND Corporation. 2017.
[7] A.G. File No. 2017-019. California Legislative Analyst's Office. October 9, 2017.
[8] Healthier People Through Healthier Markets. America's Health Insurance Plans. May 2022. https://www.ahip.org/healthier-people-healthier-markets.

Sincerely,

Sarah Lynn Geiger, MPA
Regional Director, State Affairs
America's Health Insurance Plans

AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit www.ahip.org to learn how working together, we are Guiding Greater Health.