



P.O. Box 4629
Portland ME 04112

207-807-4900
David.Clough@nfib.org
www.NFIB.com

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To: Sen. Donna Bailey and Rep. Kristi Mathieson, co-chairs
Members, Committee on Health Coverage, Insurance and Financial Services

From: David R. Clough, State Director in Maine

Re: LD 1883 – Enact the All Maine Health Act

This statement in opposition to LD 1883 is presented on behalf of the thousands of small business owners in Maine who are members of the National Federation of Independent Business. Member businesses collectively span a wide range of economic activities; provide jobs and paychecks to about 30,000 people; and help form the economic backbone of hundreds of communities and the State.

LD 1883 envisions “planning and implementation of the All Maine Health Plan, which, once fully implemented, provides comprehensive health care services to residents of this State with public funding,” according to the bill summary.

NFIB members empathize with people who say that health care coverage is too expensive and that something needs to be done. NFIB members across the nation have ranked these costs as the number one problem for almost two decades. However, they do not favor dramatic change or proposals that may destabilize the private insurance market.

When NFIB members were asked whether Maine should pursue a single-payer health system, a resounding 79.6% said emphatically “No”. Only 11.1% said “Yes” and 9.3% were undecided.

A 2019 Congressional Budget Office report – “Key Design Components and Considerations for Establishing a Single-Payer Health Care System” – gives readers an idea of the challenges in establishing such a system. The report also contains a table on the key features of single-payer systems in other countries (Australia, Canada, Denmark, England, Sweden, and Taiwan); no two countries have identical systems. As stated in the report’s introduction:

“Establishing a single-payer system would be a major undertaking that would involve substantial changes in the sources and extent of coverage, provider payment rates, and financing methods of health care in the United States. This report does not address all of the issues that the complex task of designing, implementing, and transitioning to a single-payer system would entail, nor does it analyze the budgetary effects of any specific bill or proposal.”

Economics columnist Robert J. Samuelson for The Washington Post wrote a column about the report – “A single-payer health-care system is no panacea” – in which he says a single-payer system would not resolve the contradiction between what the public wants and what the public is willing to pay for.

His point is typified by the experience of other states where pursuit of single-payer has encountered outright rejection if not dejection by proponents. For example:

- ColoradoCare was rejected by a vote of 77.8% to 21.2% in a 2016 referendum. As described by a Ballotpedia entry:

“Amendment 69 was a citizen-initiated constitutional amendment that would have established a political subdivision of the state called ColoradoCare. The measure was designed to establish a statewide program to provide universal healthcare coverage and finance healthcare services for Colorado residents. Amendment 69 would not have prevented people from purchasing private health insurance. A 21-member board of trustees would have governed ColoradoCare. As ColoradoCare would have operated as a cooperative, members would have voted for candidates to serve on the co-op’s board and decided whether taxes should be increased to provide additional funding to the program. To fund ColoradoCare, a 10 percent payroll tax would have been implemented, with employers paying 6.67 percent and employees paying 3.33 percent. Other non-payroll income would also have been taxed at 10 percent.”

- Legislation in California hit a wall in 2017 after lawmakers were told by their fiscal analysts that the proposal would entail enormous costs and necessitate significant tax increases.
- Nearby, Vermont Governor Peter Shumlin, who had made creation of a single-payer plan a top priority, in mid-December 2014 abruptly stopped his pursuit after he learned that implementation of “Green Mountain Care” would require over \$3 billion annually in new tax revenues from Vermont residents and businesses.

Healthcare policy reporter Amy Goldstein in 2019 wrote in The Washington Post about “Why Vermont’s single-payer effort failed”:

“If they kept going, the governor asked his exhausted team...could they arrive at a tax plan that would be politically palatable? No, they told him. They could not.”

Ms. Goldstein went on to write:

“Vermont’s foray into publicly financed health care – in a state that in many ways offered the optimal conditions – demonstrates the extraordinary difficulty of trying to convert [the] dream of a more just, efficient health system into reality.”

“‘What I learned the hard way,’ Shumlin said, ‘is that it isn’t just about reforming the broken payment system. Public financing will not work until you get costs under control.’”

NFIB members would prefer to see continued effort put into ways to make healthcare coverage in Maine more manageable, or at least not making the situation worse. They don’t have silver-bullet

answers but strongly believe proposals such as a Maine single-payer system is not a good idea. As at least one member said:

“Even if Maine were to come up with a single-payer plan or something else that made healthcare coverage much less expensive, what would stop people with significant health needs from moving to Maine just to take advantage of what Maine were to offer – and won’t this drive up taxes and costs for everyone else in Maine?”

Thank you for being mindful of the interests of Maine small business owners and their interest in being successful contributors to the economic health of their communities and the State. NFIB respectfully urges an Ought Not to Pass decision on LD 1883.

References:

Congressional Budget Office single-payer report

<https://www.cbo.gov/publication/55150>

Robert J. Samuelson “No panacea” column

https://www.washingtonpost.com/opinions/a-single-payer-health-care-system-is-no-panacea/2019/05/08/ba44e67e-719e-11e9-9eb4-0828f5389013_story.html?utm_term=.b384cb232faa

Amy Goldstein “Why Vermont’s effort failed and what can be learned from it” column

https://www.washingtonpost.com/national/health-science/why-vermonts-single-payer-effort-failed-and-what-democrats-can-learn-from-it/2019/04/29/c9789018-3ab8-11e9-a2cd-307b06d0257b_story.html?utm_term=.e9e47ce7e6be

Colorado Amendment 69 (2016)

[https://ballotpedia.org/Colorado_Creation_of_ColoradoCare_System,_Amendment_69_\(2016\)](https://ballotpedia.org/Colorado_Creation_of_ColoradoCare_System,_Amendment_69_(2016))