

**Mayor and Council Offices**

Mark Dion

Mayor

March 12, 2026



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Testimony of Mark Dion, Mayor of the City of Portland,  
In Support of

**LD 2196, An Act to Lower Health Insurance Costs, Reduce Barriers to Health Care and  
Ensure Fair Prices for Health Care**

*Before the Joint Standing Committee on Health and Human Services*

Chair Ingwersen, Chair Meyer and honorable members of the Joint Standing Committee on Health and Human Services, my name is Mark Dion and I am the mayor of Portland.

I'm here today to testify in support of LD 2196, "An Act to Lower Health Insurance Costs, Reduce Barriers to Health Care and Ensure Fair Prices for Health Care."

Rising health care costs and insurance premiums, driven in part by high hospital prices, are squeezing Maine employers; Portland is no exception.

As Maine's largest city and a major employer, Portland provides health insurance coverage to thousands of employees and their families.

Personnel costs, including wages and benefits, make up the majority of our municipal budget; health insurance is one of the fastest-growing components of those costs and will be a major driver of next year's budget.

In FY2021, for example, Portland spent just over \$18 million on health insurance. In FY2026, we are projecting total costs to be more than \$28 million. That's an increase of more than 55% in five years.

Hospital spend makes up half of our total costs, and the prices we pay for hospital services are rising at two to three times CPI every year. This year, the City had its first plan member whose claims topped \$1 million, largely from hospital expenses.

As a self-funded employer, we are responsible for paying claims directly. When hospital prices grow faster than inflation and wages, municipal governments have few options: reduce public services, shift costs to employees and their families, or increase property taxes. Those are all bad options.

Like most cities and towns in Maine, we have implemented a myriad of strategies to control health care spending. While some of these efforts have helped to manage cost and improve efficiency, no amount of plan design or health improvement initiatives can overcome the

underlying driver of our cost increases - unsustainable growth of high hospital prices and their impact on overall health care costs.

I want to be absolutely clear. Portland is home to two critical hospitals and many, many health care providers. They are important parts of our communities, providing not just jobs and economic opportunity, but also lifesaving care to City residents and the entire state.

My testimony today is not a reflection on those institutions, which also face a number of challenges in our dysfunctional health care system. It is driven by the hard facts and math of health care costs and their impact of those costs on municipalities, businesses, and families.

Establishing reasonable price caps tied to a fair Medicare benchmark would help stabilize municipal health insurance costs, improve predictability in local budgeting, reduce financial pressure on working families, and protect taxpayers from unsustainable health care inflation.

Thank you for your time, consideration of this important legislation, and hard work on behalf of the people of Maine.

I'm happy to answer any questions you might have.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Dion", with a large, sweeping flourish at the end.

Mark Dion  
Mayor  
City of Portland, Maine