LD 1070 Testimony in Support of LD 1070

Resolve, to Study a Medicaid Forward Plan for Maine

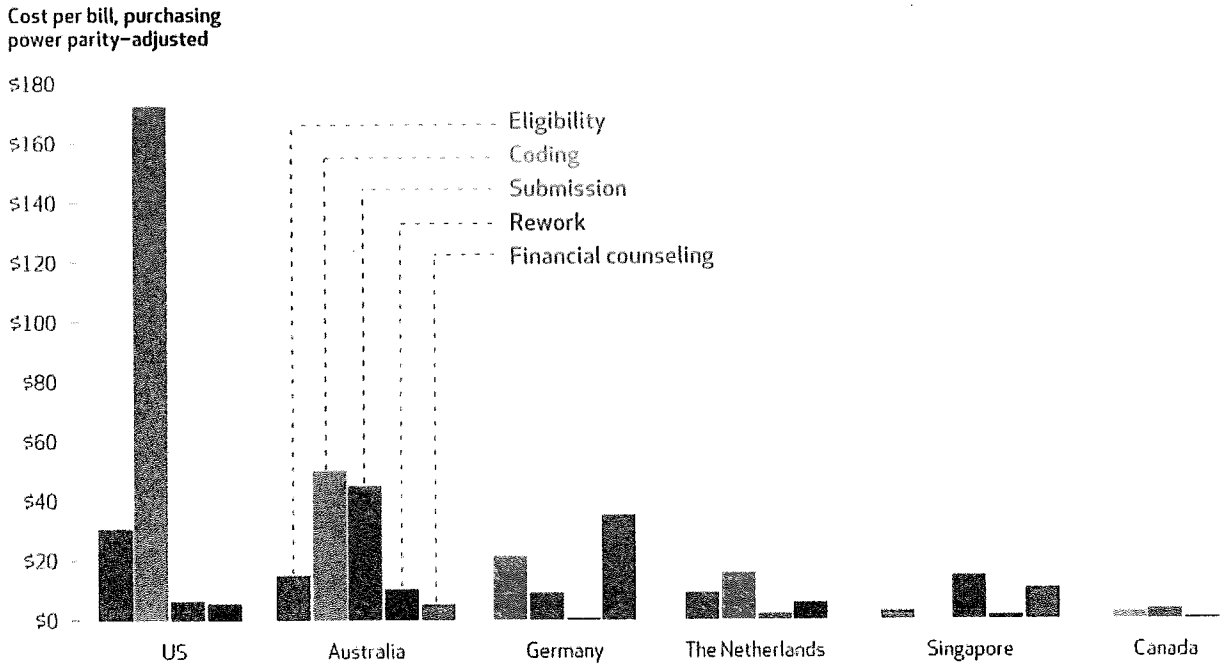
Honorable co-chairs and HHS committee members, my name is Henk Goorhuis from Auburn, ME. I practiced Emergency Medicine for 30 years in the central Maine area and have long advocated for healthcare reform. I am here to testify in support of LD 1070. LD 1070 broadly studies the healthcare delivery landscape in Maine, and is an excellent idea. It is also necessary to provide important information as this committee and the Maine legislature takes seriously its role in shaping the healthcare for the people of Maine. However, LD 1070 may not be sufficient in its scope for the problem.

I would like to submit some concepts and information here as you further your information gathering in this area:

Item #1 The US has an unnecessarily complicated fiscal and payment system, i.e. the "cost" of getting a "hospital bill" out the door, as a marker (and not just for hospitals). *Billing And Insurance–Related Administrative Costs: A Cross-National Analysis, Health Affairs August 2022.*

EXHIBIT 3

Billing and insurance-related costs in six countries, by activity category, derived from a time-driven activity-based costing study, 2018–20



SOURCE Authors' calculations based on data collected for the study from Australia, Canada, Germany, the Netherlands, and Singapore. US data (for 2017) are from Tseng P, et al. Administrative costs associated with physician billing and insurance-related activities at an academic health care system (see note 5 in text). **NOTES** Values are 2020 purchasing power parity-adjusted US dollars. Bills from Australia, Germany, and the US represent inpatient surgical bills; those from Singapore represent combined surgical and nonsurgical

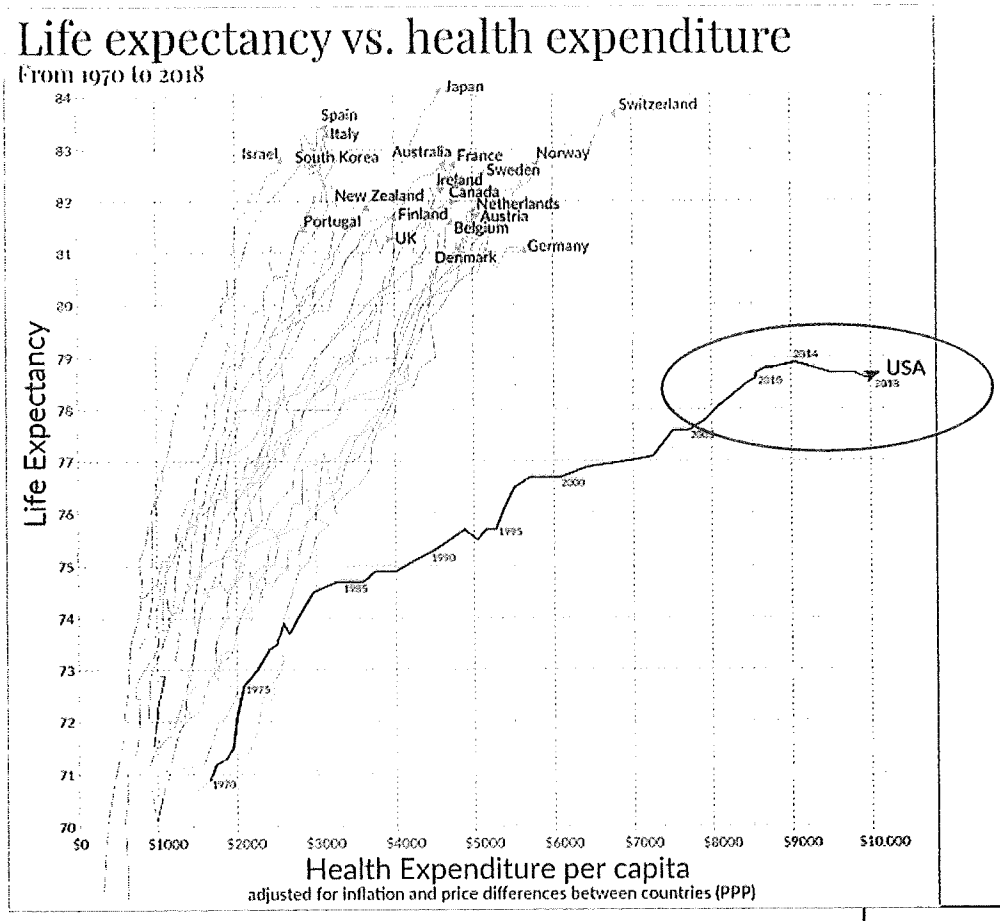
Authors of this article note:

-billing costs for an inpatient case range from $220 (USA) to $6 (Canada).

-the authors comments, "because these costs are deemed to add no value to healthcare delivery . . . offer prime targets for reducing wasteful healthcare spending." https://www.healthaffairs.org/doi/10.1377/hlthaff.2022.00241

Item #2. You might want to compare other systems? *Finding Value* in their systems?

Comparisons of general performance in overall cost and life expectancy (i.e. value).



from Wiki Media Commons

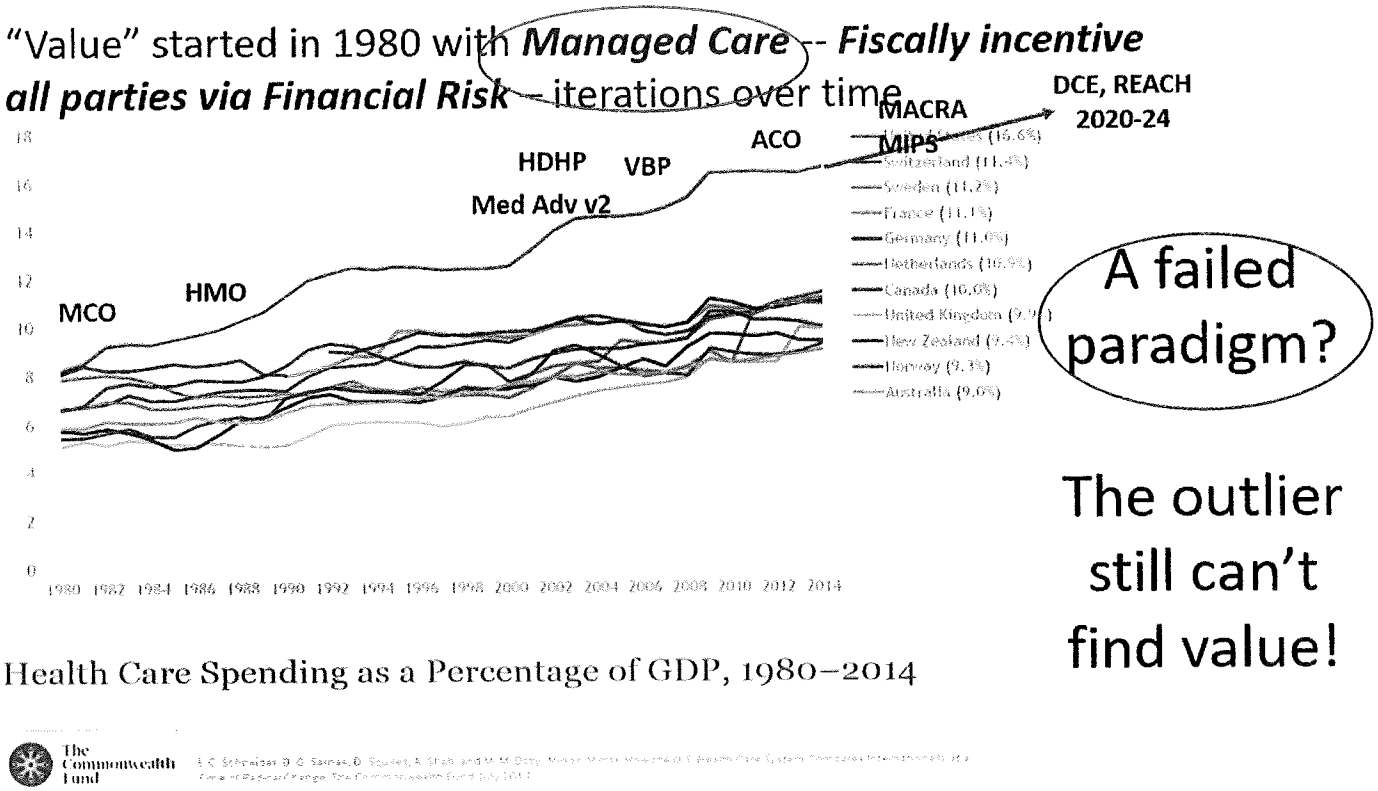
– "every system is perfectly designed to achieve the results it does"-

Sourced from the Commonwealth Fund's 2020 International Profiles of Health Care Systems, 6 reasons are noted in lower cost systems: - 1) a specific governmental system of payment that pays providers directly (no complexity of risk bearing intermediaries), - 2) a system of negotiated budgets for institutional providers of care, - 3) a simplified and standardized fee structure for predominately independent (FFS) providers, - 4) system negotiated prices for drugs and durables, - 5) patients with minimal direct payment at point of service, and - 6) coverage not linked to employment.

https://www.commonwealthfund.org/sites/default/files/2020-12/International_Profiles_of_Health_Care_Systems_Dec2020.pdf

https://commons.wikimedia.org/wiki/File:Life_expectancy_vs_healthcare_spending.jpg

Item #3 Be careful of chasing the past 40 years of unproven "value" mechanisms.



LD 1070 asks the state to study a major expansion of healthcare coverage for Mainers via an expansion of Medicaid coverage (generally via expanding FPL definitions, maximizing Federal funds, accessing any Federal waivers, and asking Mainers to assist their family and neighbors in maintaining healthcare coverage). Depending on its findings, it may also suggest ways to support the crumbling healthcare system in rural Maine. (Our cousins of similar size, population, economy and governmental sophistication, i.e. New Brunswick 0.8 M population, Nova Scotia 1.1 M, follow the 6 principles outlined above and provide a cost-effective system of healthcare for their citizens . . . so why can't Maine?) But, a caveat, without complete reform of the healthcare payment system, you will not get the savings – nor the simplicity – needed for a better system.

I ask you to vote this LD, and any other similar legislative offered in this regard and in this session, as ought to pass, as you and the entire Maine legislature needs to make serious attempts to study this area with your responsibility to oversee the arena of healthcare for all Mainers.

With all the possible Federal uncertainties upon us, this may be the most important issue of the 132nd legislature.

Thank you.