

Senator Ingwersen, Representative Meyer and members of the Health and Human Services Committee. My name is Julie Pease and I live in Topsham. I have practiced psychiatry in Maine since 1987. I am the current Chair, and one of the founders of Maine AllCare. Since 2010, Maine AllCare has advocated for publicly funded, affordable health care for everyone in Maine.

I am here to testify in support of LD1070, with a suggestion.

Despite Maine's implementation of Medicaid expansion in 2019, there were still over 80,000 uninsured Mainers in 2023.¹ Furthermore, as we all know, Maine is facing a health care crisis.

1) Thousands of Mainers are now facing the loss of their MaineCare coverage, due to "unwinding"² and due to state and federal budget constraints.³

2) Medical debt is a widespread problem, as documented by Consumers for Affordable Health Care.⁴

3) Becker's Hospital Review reported that eleven of Maine's hospitals - that's over 40% - of Maine's hospitals were at risk of closing.⁵ Since that report, Northern Light Health has closed Inland Hospital.

4) Northern Light Health system is heavily in debt and losing money every month.⁶

5) Maine General just laid off 100 full-time employees.

6) Hospitals in Bar Harbor, Belfast and Houlton are closing their maternity units.

7) Further cuts and delays to Medicaid funding are threatening the futures of hospitals, clinics, medical practices, nursing homes and home health agencies. Some agencies have already announced closure or suspension of their services.

This bill, LD1070 to study the financing and implementation of a Medicaid Forward plan, would determine the fiscal feasibility of expanding Medicaid in Maine, as one way of covering more Mainers in our healthcare system. As advocates for publicly funded health care, Maine AllCare supports this study proposal. The Medicaid Forward proposal would help hundreds, or even thousands of Mainers.

However - Medicaid funding is anything but certain, with Congressional plans to cut Medicaid (including ending further expansion under the Affordable Care Act, reducing federal funding, introducing block grants, and setting spending caps.) In addition, increasing Medicaid eligibility and allowing a buy-in is an incremental change that won't solve the underlying problems in our healthcare system.

There is a similar resolve in the HCIFS committee, LD1269, which asks the Office of Affordable Health Care to Study the Costs and Funding of a Universal Health Care Plan for Maine, a plan which would reduce waste and inefficiency, reduce administrative burdens on practitioners and hospitals, and ensure everyone has access to health care. We suggest, therefore, that the OAHC be tasked to study both the Medicaid Forward Plan and the All Maine Health Program, so that the Maine Legislature will have the full range of facts and numbers needed to pursue comprehensive reform of our failing health care system. (For your information, see attached summaries of LD1269 and the All Maine Health Program.)"

On behalf of Maine AllCare, I urge the Health and Human Services Committee to vote "Ought to Pass" on LD1070, but also to coordinate with the Healthcare Coverage, Insurance and Financial Services Committee when that committee considers LD1269. Thank you.

¹ <https://www.kff.org/statedata/election-state-fact-sheets/maine/>

² <https://www.kff.org/report-section/medicaid-enrollment-and-unwinding-tracker-state-data-archived/>

³ <https://www.mecep.org/blog/feds-threaten-to-blow-a-649-million-hole-in-maines-state-budget/>

⁴ <https://drive.google.com/file/d/1of-aZWztHbCJDGZODeqoWEVvYcokHw41/view>

⁵ <https://www.newscentermaine.com/article/news/health/medicaid-medicare-mainecare-hospitals-rural-medicine-healthcare-systems-budget-senate-continued-resolution/97-23f91c05-5e05-46ae-bd98-174e8e519470>

⁶ <https://www.mainebiz.biz/article/northern-light-health-looks-to-turn-around-steep-operating-losses>

LD 1269

132nd Maine

Resolve, to Study the Costs and Funding of a Universal Health Care Plan for Maine

Overview: The 132nd Maine legislature will instruct the Maine Office of Affordable Health Care to study the establishment of a publicly funded, privately and publicly provided, universal health care plan for the residents of Maine.

- ➡ The U.S. health care system is a complicated and inefficient structure that costs too much, delivers inequitable care with poor health outcomes, and leaves many un- or under-insured. **The U.S. ranks last in health outcomes, access, and equity** among 10 developed nations in the
- ➡ 2024 Commonwealth Fund Report, **despite outspending all other countries, each of which provides universal coverage to its residents.**
- ➡ Maine's efforts to analyze universal health care have been hampered by its part-time Legislature, heavy bill load, and **the absence of any state-funded fiscal feasibility study in over two decades** – since 2002.

Key Components of this Resolve:

- **Governance:** Directs the Office of Affordable Health Care (OAHC) to conduct the study in consultation with the Department of Health and Human Services.
- **Funding:** Directs the state to provide OAHC with funding to conduct the study.
- **Resources:** To the extent resources are available, authorizes OAHC to solicit the services of one or more outside experts to assist in the study.
- **Staffing:** Specifies that, upon OAHC's request, staffing assistance to complete the study will be provided by the Department of Health and Human Services; the Department of Professional and Financial Regulation, Bureaus of Insurance; and the Department of Labor.
- **Model Selection:** Specifies that the OAHC will base its analysis on the All Maine Health Program proposal (see 132nd Maine LR 1436) which is the latest and most detailed plan for a publicly funded, privately provided, universal health care plan for the State. The OAHC may make modifications to that model as it considers necessary.
- **Timeline:** Instructs OAHC to submit its study, recommendations, and any suggested legislation to the Joint Standing Committee on Health Coverage, Insurance and Financial Services no later than May 1, 2026.

Based on previous analyses, Maine AllCare believes a universal, publicly funded health care system could provide **more and better care to all residents for about the same money** we currently spend, improving upon the existing system that leaves thousands without affordable, quality care. We anticipate an OAHC study will come to the same conclusion.

LR 1436

132nd Maine

An Act to Create and Establish the All Maine Health Program

Overview: The All Maine Health Program (AMHP) is a proposal for a health care system that would **ensure that all Maine residents have affordable, comprehensive, and equitable health care**, publicly funded and publicly/private provided.

- ✓ It will allow patients to choose their providers and will work to increase workforce numbers so that access to care is timely.
- ✓ It will lower costs by reducing administrative bureaucracy, not by restricting or denying care.
- ✓ It will use a simplified funding and payment system and provide adequate and timely negotiated payments to providers.

Key Components:

- **Structures:** It establishes an All Maine Health Agency (AMHA) and Offices overseen by an All Maine Health Board (AMHB) that will manage an All Maine Health Plan (AMHPlan).
- **Eligibility:** All residents of Maine are eligible for the AMHPlan, including individuals currently uninsured, individually insured through commercial insurance, covered through federal programs, and covered by self-insured and fully-insured employer plans.
- **Benefits:** It will include ACA essential benefits plus dental, vision and hearing benefits, but not long term care, which will still be covered through MaineCare.
- **Revenue Sources:** Funding will include federal funds accessed through Medicare, MaineCare, and Marketplace waivers together with income-based health taxes assessed on all residents and a business payroll tax. Additional revenues may be derived from outside sources (existing coverage) and minimal cost-sharing, but there will be no deductibles.
- **Simplified System:** The All Maine Health Fund (AMHF) will receive revenues and consolidate as many payment sources as feasible into a unified claims payment system.
- **Provider Compensation:** A Provider Payment Negotiation Office (PPNO) will negotiate fair payments for professional and institutional providers, taking into account local historical rates, projected regional needs, balance between specialty and primary care services, and system savings, with the aim to recruit and retain providers.
- **Drug Pricing:** A Pharmaceutical and Medical Device Price Negotiation Office will negotiate pharmaceutical and medical device prices and establish a drug formulary system.
- **Implementation:** The Legislature will only proceed to implementation of the AMHP after waiver issues have been resolved and a final analysis finds the cost of the AMHP acceptable compared to the cost of our current system.
- **Workforce Transition:** The AMHA will assist in retraining, job placement, and wage replacement for insurer and provider administrative workers displaced by the AMHP.