

Testimony in Support of LD 1269

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

Plan for Maine

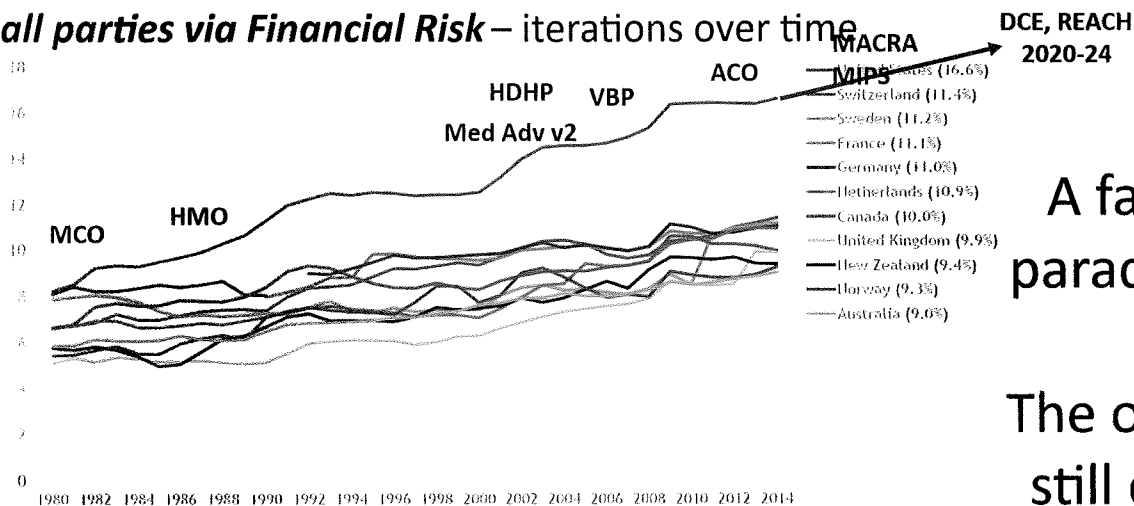
Honorable co-chairs and HCIFS committee members, my name is Henk Goorhuis from Auburn, Maine. I practiced Emergency Medicine for 30 yrs in the central Maine area and have long advocated for healthcare reform. I am here to testify in support of LD 1269.

The current paradigms for healthcare financing in the USA do not find value for its citizens. LD 1269 would help Maine look for alternatives that could serve us better.

I would like to submit some information and questions here:

Item #1 The current and 40 year “value” paradigm has not shown cost effectiveness.

“Value” started in 1980 with **Managed Care -- Fiscally incentive all parties via Financial Risk** – iterations over time



A failed paradigm?

The outlier still can't find value!

Health Care Spending as a Percentage of GDP, 1980–2014



The Commonwealth Fund

U. G. Schmalzer, D. O. Savaish, D. Squires, A. Shah, and M. M. Doty, *Measuring Up: The U.S. Health Care System Compares International Spots at a Time of Fiscal Change*, The Commonwealth Fund, July 2017.

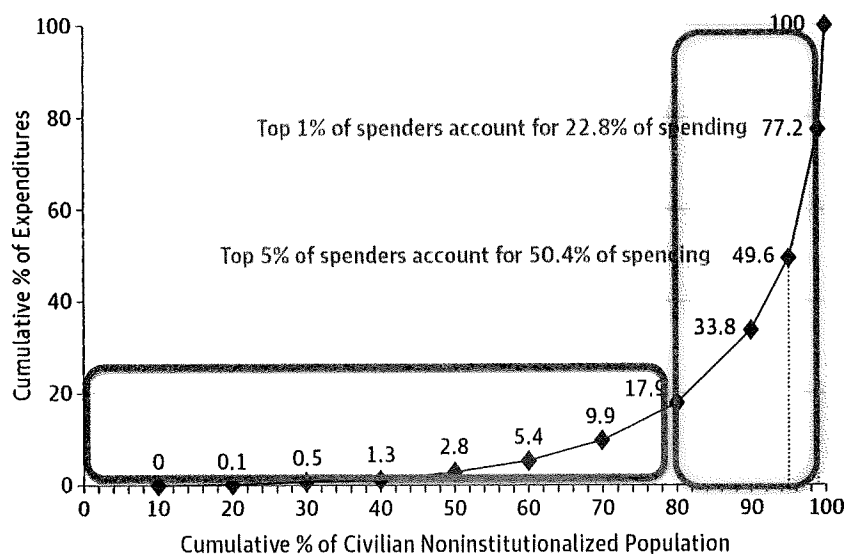
The **concept** of value-based payment became widespread among U.S. health policymakers and analysts during the 2000s. It collectively refers to schemes that offer doctors and hospitals (and patients!) financial incentives that, in theory, induce them to improve the components of health-care value — cost and quality — but without generating the consumer hostility provoked by managed care toward insurance companies during the HMO backlash of the late 1990s. (i.e. patients ask for less care, doctors order less tests)

-Physicians for a National Health Plan <https://pnhp.org/news/value-based-payment-has-produced-little-value-it-needs-a-time-out/>

Item #2 Healthcare, and illness in a population, does not operate under market principles.

Illness in the Population is a 20:80 Rule –

The 20% generate 80% of expenditures OR the healthy 80% pay for the ill 20%



The Healthy pay for the ill.
-predictable
-inevitable
-unavoidable

Wait . . .
can this be manipulated
for a margin?

Unfortunate, but. . .

. . . begs the question, how to
administer and finance this
human phenomena?

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6 2014 Medical Expenditure Panel Survey, Agency for Healthcare Research and Quality.

Item #3 How do others do this? Something different.

Ranking World Healthcare by Country 2021-2022

	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
Data: Commonwealth Fund Mirror Mirror Report 2021, OECD Health Data 2022											
OVERALL RANKING	3	10	8	5	2	6	1	7	9	4	11
Access to Care	8	9	7	3	1	5	2	6	10	4	11
Affordability	9	8	6	4	2	7	3	5	10	1	11
Timeliness	5	11	8	2	1	4	3	10	6	7	9
Care Process	8	4	10	9	3	1	8	11	7	5	2
Preventive Care	8	4	10	11	7	5	8	1 (T)	9	1 (T)	3
Safe Care	7	5	8	6	3	1	11	10	8	4	2
Coordinated Care	8	7	9	10	3	1	4	11	2	6	5
Engagement and Patient Preferences	4	6	8	1	5	3	9	11	7	10	2
Administrative Efficiency	2	7	6	9	8	3	1	5	10	4	11
Equity	1	10	7	2	6	9	8	6	3	4	11
Health Care Outcomes	1	10	6	7	4	8	2	5	3	9	11
Health Expenditures Per Capita 2022	\$4,709	\$5,161	\$4,980	\$6,524	\$6,128	\$3,888	\$6,072	\$5,421	\$5,602	\$4,725	\$10,687

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Data: Commonwealth Fund Mirror Mirror Report 2021, OECD Health Data 2022

<https://www.commonwealthfund.org/publications/fund-reports/2021/aug/mirror-mirror-2021-reflecting-poorly-how-we-measured-performance>

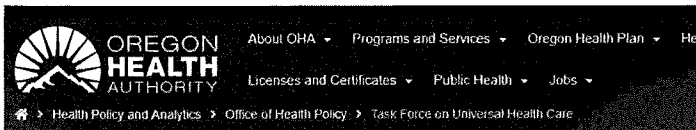
<https://stats.oecd.org/index.aspx?ThemeTreeId=9#>

https://www.commonwealthfund.org/sites/default/files/2021-08/Schneider_Mirror_Mirror_2021.pdf#page=29

Other states are leading in this area, links to Oregon and Washington examples are listed below.

New ways of thinking and organizing the financing of healthcare for the state or Maine needs to be further studied. Maine needs to explore changes to our healthcare system and, though there are many previous studies on how a state could do a healthcare system, another study may be useful to the state legislature as this committee deals with . . . all the ongoing crises in our healthcare system. Please vote LD 1269 as Out to Pass.

Thank you.



Task Force on Universal Health Care

In 2019, the Oregon Legislative Assembly passed [Senate Bill 770](#), which established the [Task Force on Universal Health Care](#). The Task Force was charged with recommending a universal health care system that offers equitable, affordable, comprehensive, high quality, publicly funded health care to all Oregon residents.

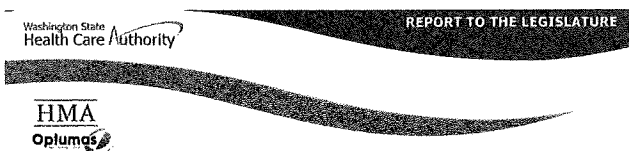
Task Force's Final Report and Recommendation – September 2022

The Final Report and supporting materials were submitted to the Legislative Assembly

- [Final Report and Executive Summary – September 2022](#)
- [ERISA Memo](#) – prepared by Elizabeth McCuskey and Erin Fuse Brown (July 25, 2022)
- [CBIZ Optumas Universal Health Care Financing Modeling Report](#) (September 21, 2022)

<https://www.oregon.gov/oha/hpa/hp/pages/task-force-universal-health-care.aspx>

[https://www.oregon.gov/oha/HPA/HP/TFUHC%20Meeting%20Documents/2022.09.21%20Financial%20Modeling%20\(Final\).pdf](https://www.oregon.gov/oha/HPA/HP/TFUHC%20Meeting%20Documents/2022.09.21%20Financial%20Modeling%20(Final).pdf)



Universal Health Care Work Group

Engrossed Substitute House Bill 1109, Section 211, Subsection 57;
Chapter 415, Laws of 2019

January 15, 2021

<https://www.hca.wa.gov/assets/program/final-universal-health-care-work-group-legislative-report.pdf>

Lists of other independent state-oriented studies:

<https://wholewashington.org/studies/>

<https://www.healthcare-now.org/single-payer-studies/listing-of-single-payer-studies/>