Testimony in Support of LD 1883

An Act to Enact the All Maine Health Act

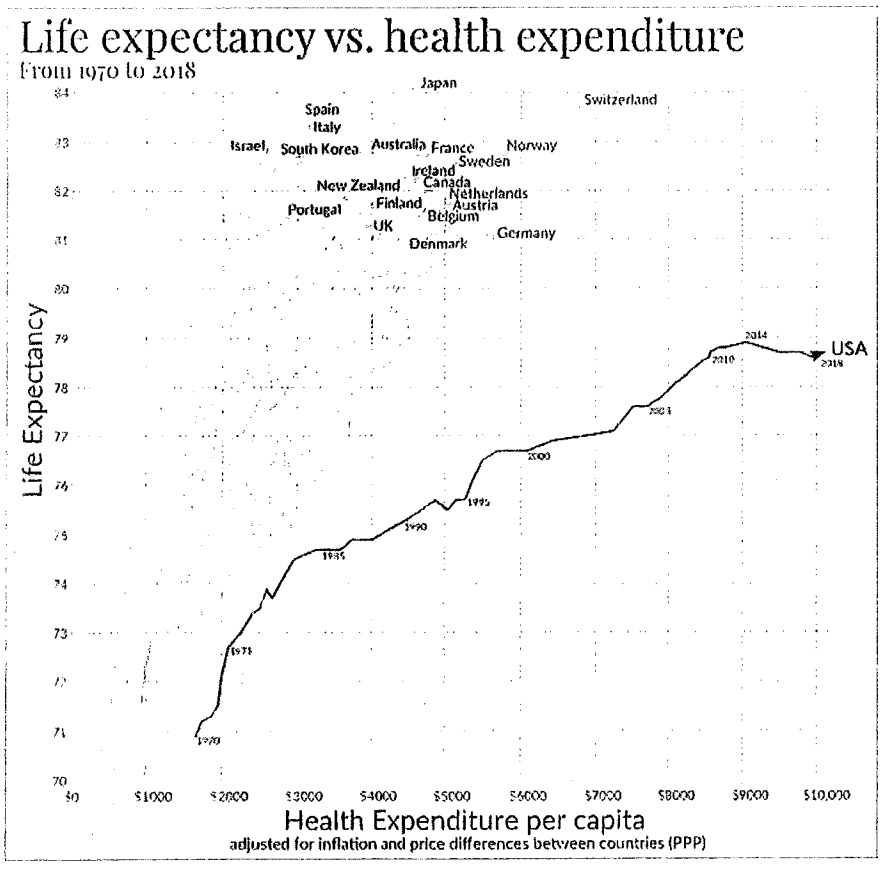
Honorable co-chairs and HCIFS committee members, my name is Henk Goorhuis from Auburn, Maine. I practiced Emergency Medicine for 30 yrs in the central Maine area and have long advocated for healthcare reform. I am here to testify in support of LD 1883.

The question always come up of, "why does everyone need to be covered, let alone covered in the same system?". The concept of universal coverage has a moral component to it, but let me discuss the economic reasons for universal coverage for a population. The reason you want everyone covered in the same payment and fiscal system is because of <u>simplicity,</u> and with simplicity – comes <u>affordability</u>.

I would like to submit some information and questions here:

The USA already has a wasteful healthcare system, and no one else does it this way.

How do others do it?

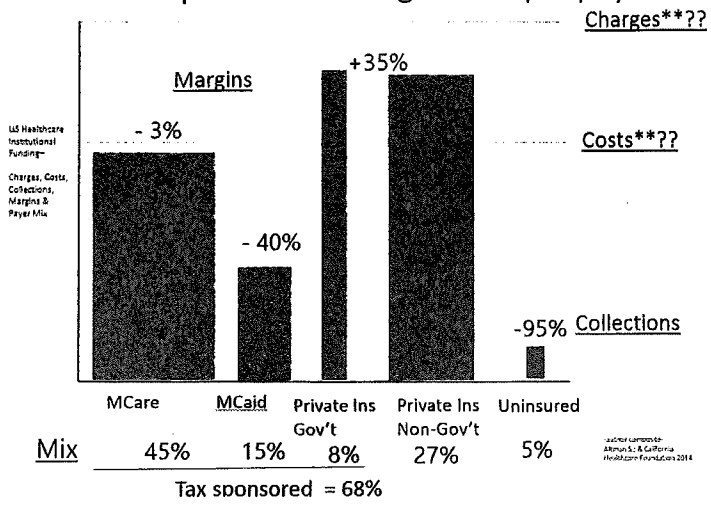


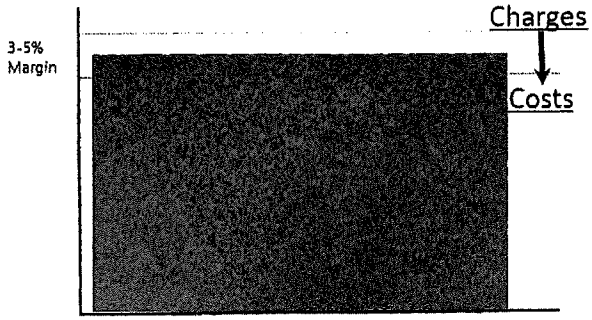
1) A single specific or semi-governmental payor, that collects the premium/tax and pays providers of care directly.
2) Universal coverage without direct linkage of a person to employment.
3) Budgeted payments to institutional providers of care.
4) A simplified, negotiated and standardized fee structure for individual and mostly independent providers. (i.e. still predominately FFS)
5) Negotiated prices for drugs and durable medical equipment.
6) Patients with no or small payments usually at POS.

In other words – simplicity and efficiency – leading to system wide savings.

Current USA health payment insurance schemes are burdened with complexity because of multiple payers all with differing agendas – instead use a state based "unified payor":

USA has complicated funding – multiple payers

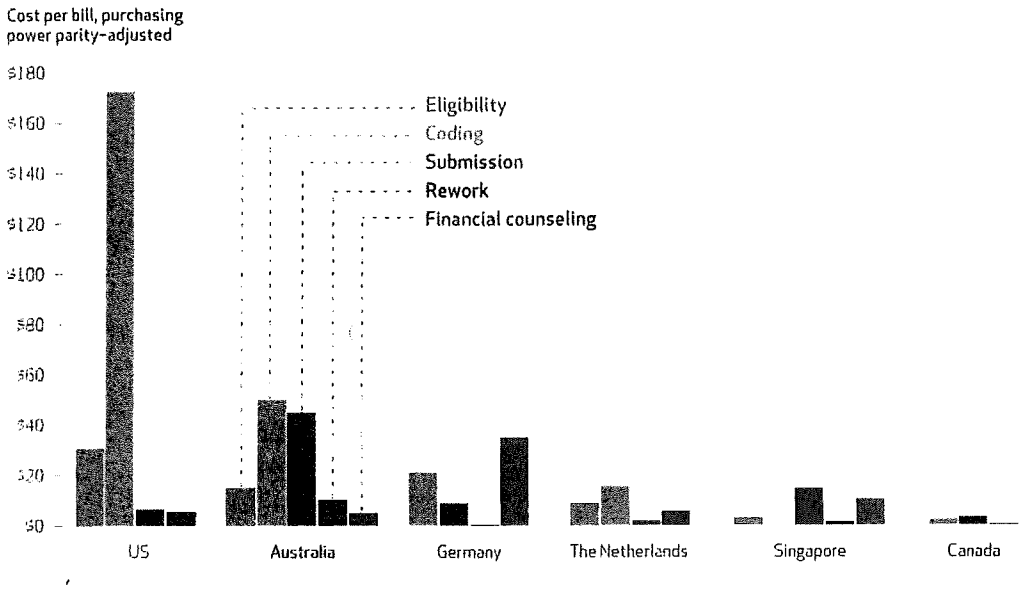




LD 1883 sets out to achieve universal benefit coverage for all the residents of Maine. A universal "market basket" of covered benefits will be determined by the governing board. A single "price list" for services and a simplified billing system leads to simplicity and savings. Establishing a "unified payor" is the only proven way to establish cost control and efficiency.

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

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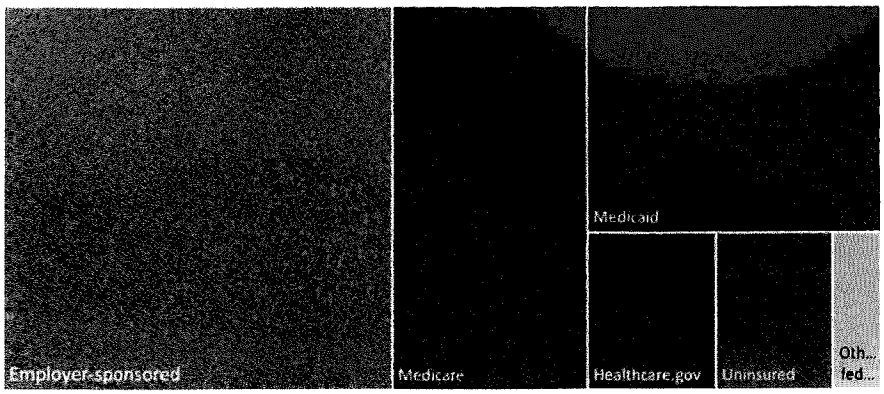
In a study of BIR costs: -$215 to process an inpatient hospital bill in the USA. $6 in Canada.

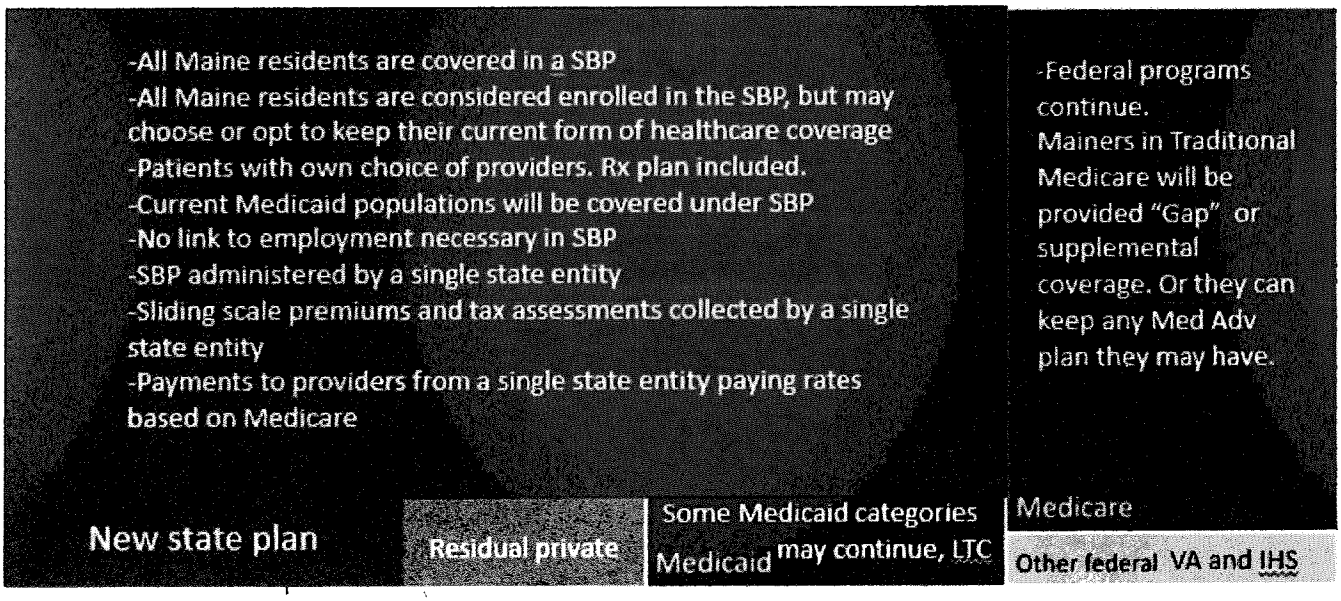
Who is paying for this? Why continue this?

As visualized by population, by this author, a state-based system (SBP) could be organized as:

Current health care landscape



New health care landscape



The current and future financing of healthcare in Maine is a very serious issue. LD 1883 enables Maine to "lean forward" in providing a healthcare system that works for the people of Maine. I ask you to vote this LD 1883, as Ought to Pass, as this committee and the Maine legislature takes seriously its responsibility to oversee healthcare for the benefit of all Mainers. With all the possible Federal uncertainties coming upon us, the arena of healthcare financing may be the most important issue of the 132nd legislature. Thank you.