



Consumers for Affordable Health Care

Advocating the right to quality, affordable,
health care for every person in Maine.

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**Testimony in Support of LD 120,
An Act To Lower Health Care Costs through the Establishment of the Office of Affordable Health Care
Ann Woloson, Executive Director, Consumers for Affordable Health Care
April 13, 2021**

Senator Sanborn, Representative Tepler, and distinguished members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services. I am Ann Woloson, Executive Director of Consumers for Affordable Health Care. I am here today to testify in support of LD 120, An Act to Lower Health Care Costs through the Establishment of the Office of Affordable Health Care.

Consumers for Affordable Health Care (CAHC) is a nonpartisan, nonprofit organization with the mission of improving access to affordable, quality health care for all Maine people. Since 2010 CAHC has served as Maine's Health Insurance Consumer Assistance Program. Last year, CAHC fielded nearly 9000 calls with Mainers who reached out to us with questions about their health insurance options. We often hear from people who struggle to afford the health coverage and health care, including prescription medicine, they need. In fact, our polling from last October shows that one of three Mainers worry about losing their health coverage and becoming uninsured. Three out of four Mainers are concerned about not being able to afford the prescription drugs they need. ¹

Small business in Maine also struggle to afford health coverage. Between 2018 and 2020, small business health insurance premiums in Maine increased by nearly 17 percent according to the Bureau of Insurance² and the cumulative impact of rate increases from 2014 - 2021 was 57.1%.³

It is no surprise to most of us, if not all of us in this public hearing today, to hear that high health care costs in the US and in Maine are a problem. Relative to the size of its wealth, the U.S. spends a disproportionate amount of its Gross Domestic Product on health care.⁴ On average, other wealthy countries spend about half as much, per person on health than the U.S. spends. Health care has gone from being 17 percent of Maine's economy in 2001, to 25 percent today. By 2026, health care will

¹ Summary Report of Findings From the Critical Insights on Maine™ Survey <https://www.maine cahc.org/wp-content/uploads/2021/02/Critical-Insights-on-Maine-Report-of-Findings-edited-pg-8-Fall-2020.pdf> , 10/2020

² Maine Bureau of Insurance, <https://www.maine.gov/pfr/insurance/legal/upcominghearings/pdf/2020%20rate%20summarvgpdf>

³ Public Informational Meeting 2021 Individual and Small Group Major Medical Rate Requests presentation, 7/30/20, <https://www.maine.gov/pfr/insurance/2021%20Rate%20Presentation.pdf>

⁴ Sawyer and Cox; How does health spending in the U.S. compare to other countries? <https://www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries/tem-relative-size-wealth-thus-spends-disproportionate-amount-health>

comprise more than 27 percent of the state's economy.⁵ This is not sustainable. Rising health care costs affects all of us individually. Rising costs impact our state budget and has consequences to both state and local governments. Public entities such as municipalities, public schools and our community colleges and university system all are struggling with the cost of health care. I could go on about rising health care costs, but you all hear about problems associated with high costs in this committee on a regular basis.

Concerns about the need to address out of control costs are often made, and in fact, steps have been taken by this committee, the legislature and the Governor in recent years to address rising costs. But it is clear more needs to be done, sooner than later to better understand cost drivers and address rapidly rising health care costs in Maine. We believe the independent Office of Affordable Health Care would be a valuable resource to this committee and the legislature as it continues to grapple with health care costs concerns. It would analyze data from the Maine Health Data Organization and the Maine Quality Forum and other sources regarding health care spending and cost growth trends and monitor and provide information to policy makers on the use of innovative payment and delivery models aimed at reducing costs and improving health care quality.

It would also be charged with staffing Maine's Prescription Drug Affordability Board, created by the legislature with nearly unanimous, bipartisan support in 2018 to reduce the cost of prescription drugs in Maine. The Board has had productive meetings but has fallen behind in making recommendations for reducing drug costs in Maine, in part, due to the lack of staffing to help provide follow-up to meeting presentations and assistance in organizing and drafting recommendations.

This bill is an amended version of a bill passed out of this committee with bipartisan support last year, that also passed through the House and Senate also with bipartisan support but failed to reach final enactment due to the legislature ending early in response to the pandemic.

Please do what you can to address rising health care in Maine. Please support LD 120.

Thank you.

⁵ Assessing the Costs and Impacts of a State Level Universal Health Care System in Maine;
<https://maineallcare.org/wp-content/uploads/2019/12/Assessing-the-Costs-and-Impacts-of-StateLevel-Universal-Health-Care-in-Maine.pdf>