



Consumers for Affordable Health Care

Advocating the right to quality, affordable health care for all Mainers.

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Testimony in Support of LD 749, An Act To Establish a Council on Health Systems Development

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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 the proposed draft amendment to LD 749, An Act To Establish a Council on Health Systems Development.

Consumers for Affordable Health Care (CAHC) is a nonprofit, nonpartisan organization with the mission to advocate for Maine people to be heard, respected, and well-served in a health system that provides coverage, access and quality affordable care to all. CAHC serves as Maine's Health Insurance Consumer Assistance Program, which provides toll-free access to certified application counselors, who help Mainers understand their health coverage options, how to apply and enroll in private health insurance and how to access health care services and safety net programs. We often hear from Mainers who experience significant barriers to accessing and difficulties affording the health care and coverage they need. We hear from people who have medical debt and who struggle to pay for the prescription medicine they are prescribed. I could go on with specific examples of Mainers who reach out to us on a daily basis, but I know you also hear from many who testify in front of you on a regular basis.

Polling commissioned by CAHC this past October confirms Mainers' concerns about the rising cost of health care. 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

Prescription drug cost data recently posted by the Maine Health Data Organization shows Mainers spent over \$165 million more on the 25 drugs with highest year-over-year increase in cost from July 2019 to June, 2020.

Small business in Maine continue to see double digit premium increases and many, if not most, struggle to afford meaningful 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

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,

¹ Summary Report of Findings From the Critical Insights on Maine™ Survey <https://www.mainecahc.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/upcoming-hearings/pdf/2020%20rate%20summary.pdf>

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.healthsystemstracker.org/chart-collection/health-spending-u-s-compare-countries/tem-relative-size-wealth-us-spends-disproportionate-amount-health>

health care will comprise more than 27 percent of the state's economy.⁵ Rising health care costs affect 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.

Concerns about the need to address out of control costs are often identified, 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 to better understand cost drivers and address rapidly rising health care costs in Maine.

The council to be created by this bill would be charged with advising the Governor and Legislature in developing efficient and high-quality health systems in this State. The council would consist of various stakeholders who would be charged with conducting systemic reviews of cost drivers in the State's health care system. It would make regular, specific recommendations on methods to reduce the rate of increase in overall health care spending and in health care costs, tying those recommendations to increases in the cost of living, with the overall goal to make health care and health coverage more affordable for people in this State.

CAHC supports efforts that we believe will improve access to affordable, quality health care and coverage in Maine. Please support LD 749.

Thank you.

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