Testimony in Favor of LD 1045 An Act to Support Universal Health Care

My name is Karen Foster. I live in Portland, and I am looking at LD 1045 as a former health insurance executive. I had a 25-year career at Blue Cross and Blue Shield of Maine, retiring as a senior vice president twenty years ago.

For many of those years, Blue Cross was synonymous with health insurance. Plans for individuals and small groups were community rated. Employers offered programs with affordable deductibles and little or no premium sharing. People didn't go bankrupt because of medical bills. There was no GoFundMe health coverage. We were proud that our administrative expense was less than 10%, meaning at least 90 cents on the dollar went to pay claims. Insurance was pretty good for most of us.

In the 1980's commercial insurance companies became more widespread and competed in every state with the BCBS plans. Larger employers sought to save money by self-insuring. HMO's arrived along with cafeteria benefit plans. Nonprofit Blue Cross/ Blue Shield plans began merging to compete with the bigger national companies. More competitors meant more fragmentation and more incentive to "cherry pick" for the healthiest customers. There were conversions from non-profit to for-profit status, as occurred here in Maine. There was a lot of money to be made in health insurance.

We now have a "non-system" health care behemoth that has morphed over time and without intention, and it's not pretty good for many of us anymore. People are paying too much; they are "surprised" by bills for non-covered services. Our patch-work of plans and networks is so confusing we need navigators. People can't wait to get on Medicare…which is not perfect but is perceived to be a big improvement.

I say this not because there is a mythical past we should look to to solve today's problems, but because it helps to recall that health needs were at one time largely covered by nonprofit and/or highly regulated companies and that we now spend vast amounts on complexity, profits and overhead in a free-wheeling market that we could change if we wanted to.

If I were in your seat I would be asking, why should we pass this bill? What problem is it fixing? Can we afford it? Who will it harm?

This bill would take care of so many problems. It would be especially good for young working people who may not have employer-provided coverage and are going broke paying premiums under the ACA. Or who are functionally uninsured because of very large deductibles and co-pays. Or who feel stuck in a job just for the health insurance. We would pool our tax dollars and funding sources to provide equitable coverage to everyone.

We can fill shelves with books about America's health care system and how it compares with other wealthy nations. Studies show plans like this won't cost more overall, maybe less. Hospitals and physicians will remain independent and fairly compensated. There will be a board appointed to oversee the program. Federal waivers are available under the ACA to take this on.

Yes, it would be a big change, but it is doable and affordable. It can make us healthier as a state. The people want it, and only the legislature can make this happen. Please support An Act to Support Universal Health Care for all the good it can do for Maine.