

“Good morning, Senator Sanborn, Representative Tepler and members of the Committee on Health Coverage, Insurance and Financial Services. My name is Henk Goorhuis, I live in Auburn, and I would like to speak in support of LD 1045.

The United States has the distinction of having the most expensive healthcare system in the world, with variable outcomes (see attached graphic #1). And Maine has the distinction of being in the top 20% of expense of US states.

In this committee you will hear the patient stories, the provider frustrations, the business and employer’s disbelief on rising healthcare costs and, you may also hear pronouncements on “let market’s work” in healthcare financing. But the financing and the treatment of cancers, diabetes, mental health and opiate addictions are not at all equivalent to getting the newest cellphone you can afford, nor buying auto insurance and fixing fender benders.

Four items undergird the success that other countries and neighboring provinces have had in achieving universal coverage that is publicly funded and privately delivered.

These four elements are necessary to achieve a cost-effective system, and also how to counter efforts by “stakeholders” and policy types to insert risk shifting schemes into healthcare financing in the name of “cost control,” resulting in the perpetuation of the insurance business model that is the root cause of excessive cost in US health care.

A state-based healthcare financing system, that LD 1045 proposes, can achieve significant cost-savings and should have four elements:

1. One payer, that pays providers of care directly, with no sub-contracting of funding to competing risk-bearing entities (middle-men).
2. Budgets for institutional providers of care, including hospitals, nursing homes, and community health care organizations.
3. A simplified, standardized fee schedule for individual (independent) providers.
4. Negotiated price controls for drugs and durable medical equipment.

Just because a state can’t fold in separate systems such as MediCare, the VA, the Indian Health Service, etc. into its state-based proposal, it can be payer according to the above definition for the population it covers, which is everyone else.

As per the attached graphic #2, healthcare is only one part of a healthy society and, as other elements are, should be organized as a public good. Your work here is to get healthcare coverage and financing “worked out” so that you and the other legislative committees in Maine can work on the other determinates for a healthy society.

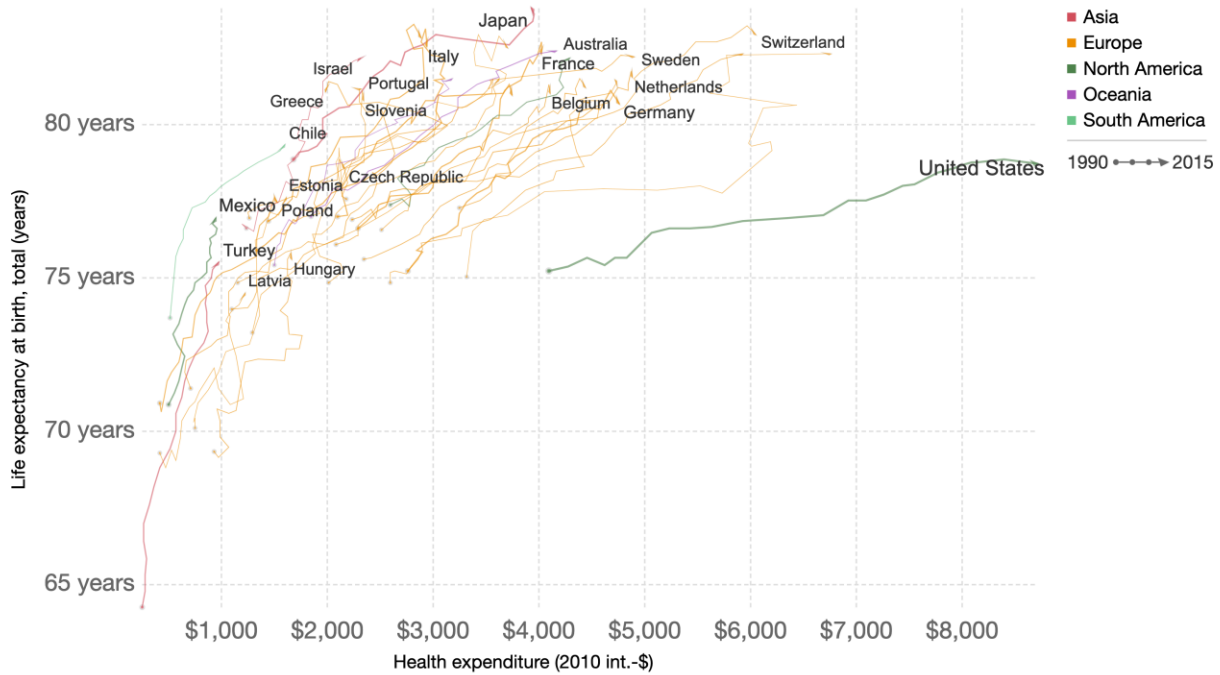
Thank you for your considerations.

Graphic #1 and #2

Life expectancy vs. health expenditure, 1990 to 2015

Health financing is reported as the annual per capita health expenditure and is adjusted for inflation and price level differences between countries (measured in 2010 international dollars).

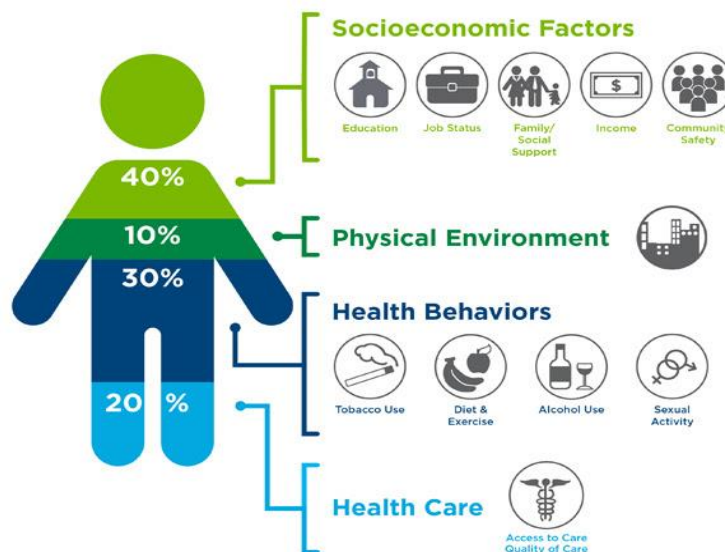
Our World
in Data



Source: World Bank, Health Expenditure and Financing - OECDstat (2017)

OurWorldInData.org/the-link-between-life-expectancy-and-health-spending-us-focus • CC BY

What Goes Into Your Health?



Source: Institute for Clinical Systems Improvement, Going Beyond Clinical Walls: Solving Complex Problems (October 2014)

The Bridgespan Group