

Good morning, chairpersons Sanborn and Tepler, and members of the Committee. My name is Tom Sterne, and I am a retired primary care physician and health economist living in Bridgton. I'm here to testify enthusiastically in support of Rep. Brook's LD 1045.

There is much to laud in this attempt to provide publically financed, privately provided healthcare to every Mainer, care which ensures fair distribution, is efficient and less expensive. Care which has at its base the moral notion that this is a human right independent of income, race, ethnicity, provided as a public good.

Others will provide testimony today on the need for this bill. I would like to focus on two issues posing concern to you- the wish to support a vigorous Affordable Care Act, and the perception that the central gathering of the funds needed to support this program are political hurdles.

The ACA's goal was to extend affordable insurance by offering subsidies based on income in the private commercial marketplace, and by incentivizing states to expand their Medicaid coverage. The latter was a real success, including here in Maine. The former was a well-intentioned disaster. Why? First, because the types of coverage offered still essentially leave people functionally uninsured. Unless one includes copayments and multi thousand dollar deductibles in the equation of decision making when deciding about whether and if and when one seeks services, the real change in access is left as someone else's concern. "Covered" families still avoid seeking care. They cannot afford \$10,000 before insurance contributes a dime.

Second, please remember that the cost in the commercial world for bureaucratic and administrative overhead, and for profit making, varies, by everyone's calculation, between 20 and 25%, including the costs to hospitals and providers of billing, repeat billing, claims resubmissions. The overhead costs of Federal Medicare are 3 to 4 %. When 20 cents on the dollar do not go to care provision, what a wonderful potential source of funding those who are under cared for! And what a savings to providers' operating expenses! The MECEP study done in Maine in 2019 demonstrates that cutting this cost in even half would save hundreds of millions of dollars.

And last. Our great fear of taxes, premiums, assessments, call them what we will. No one is proposing that health care is or should be free...only that it be funded efficiently and justly. Publically funded care is a visible transfer of contributions to a central gathering place from what now goes to the holding coffers of commercial insurers. There is no “new” money. Rather, the cost to the state’s residents in total will be over one billion dollars less than what they lay out now, including to state and local government employees and to the workers’ compensation system. 85% of Mainers would pay less. My hope is that we can put the “we can’t afford to do this argument” to rest. We can’t afford NOT to do this!

A renowned Rabbi is most often remembered with these, his words:

If I am not for myself, who will be for me? If I am not for others, what am I? And if not now, when?

Thank you for your consideration.