

Testimony in support of LD 329, “An Act to Ensure Health Care for All Maine Residents” (with proposed amendment of 5/8/23)

May 9, 2023

James Myall, Economic Policy Analyst

Dear Senator Bailey, Representative Perry, and members of the Joint Standing Committee on Health Care, Insurance, and Financial Services. My name is James Myall. I am an economic policy analyst at the Maine Center for Economic Policy and I’m writing to express MECEP’s support for LD 329, “An Act to Ensure Health Care for All Maine Residents,” with the amendment proposed by the sponsor on May 8 to create a work group to study implementation of a Maine Health Plan.

Even with the passage of the Affordable Care Act, and the adoption of expanded Medicaid in Maine, there are still tens of thousands of Mainers who are uninsured or underinsured, and who find it difficult to get the care they need because of the cost. In 2021, one in ten adults under the age of 65 (as well as a small portion of older adults) had to miss a doctor’s appointment because they couldn’t afford the cost – the equivalent of 86,000 Mainers.¹

We also know that poor health is a leading cause of under- or non-employment for Mainers. Around 40,000 Mainers who are currently out of the workforce completely list either an illness or a disability as the reason they aren’t working.² For some (not all) of these individuals, access to timely and affordable health care would allow them to participate more fully in our economy.

In 2019, I completed a study for the group Maine AllCare, to examine the potential scope and costs of a universal single-payer health care plan for Maine.³ I was fortunate to be able to present my findings to this committee previously, but would like to take this opportunity to remind you of the most salient points:

- Creating a government-funded health care plan to cover all Mainers would be a significant endeavor. Assuming existing programs such as Medicaid, Medicare and the Veterans’ Administration health care plans were left in place, a new plan would enroll 652,000 Mainers.
- My analysis estimated the net cost of a program (after accounting for federal subsidies and waivers to use federal funds) of \$4.9 billion per year. Obviously, this is a very large sum. However, my analysis showed that even after requiring some form of premium from individuals and employers, and after raising taxes to cover the remaining costs, the vast majority of Maine households would save money, on net. In other words, the savings from better coverage and a less complex health care system would outweigh the costs through premiums and additional taxes.
- The report also showed significant savings to some employers (\$300 million/year in health insurance premiums, and \$155 million/year from reduced workers’ compensation costs), and to local governments (\$214 million/year) in Maine.

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- Depending on the design of the program, the impact on health care providers could be neutral, with lost patient revenues from private insurance being balanced by savings in administration and an increase in revenue from previously uninsured patients.

My 2019 report only showed one way that a universal health care system could be designed, and it would certainly be possible for the working group envisaged in LD 329 to come to different conclusions. The report does illustrate that there are many design choices to be made in any program, including how much providers are to be reimbursed, and how the program should be paid for. A working group would be a good venue in which to have these discussions.

The 2019 report did not look at the implementation of a plan, or how it might be phased in. There are certainly several ways in which enrollment could be gradually increased, to make the program easier to establish, and to reduce the initial cost. This would be another worthwhile topic of discussion for the working group.

Creating a universal health plan to ensure that no Mainer has to choose between their health and their pocketbook is a worthwhile goal, and I urge you to vote “ought to pass” on LD 329.

As always, I’m happy to answer any questions, and I can be reached at jmyall@mecep.org

Notes

¹ US Centers for Disease Control and Prevention, Behavioral Risk Factors Surveillance Survey, 2021 data.

² MECEP analysis of data from US Census Bureau, Household Pulse Survey, periods 44-56, covering April 2022-April 2023.

³ James Myall, “Assessing the Costs and Impacts of a State-Level Universal Health Care System in Maine,” *Maine Center for Economic Policy*. Dec 2019. <https://legislature.maine.gov/doc/3626>