



MAINE ASSOCIATION  
OF  
HEALTH PLANS

May 21, 2021

To: Senator Claxton, Representative Meyer, and Honorable Members of the Health and Human Services Committee

From: Katherine Pelletreau, MPH

Re: Opposition to LD 1608 An Act To Expand the MaineCare Program To Cover All Citizens of the State

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The Maine Association of Health Plans (MeAHP) has five members including Aetna, Anthem Blue Cross and Blue Shield, Cigna, Community Health Options and Harvard Pilgrim Health Care. Collectively, MeAHP's members provide or administer health insurance coverage to over 600,000 Maine people. The organization's mission is to improve the health of Maine people by promoting affordable, safe, and coordinated healthcare.

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Health plans are supportive of the goal of high quality, affordable coverage for everyone but do not believe this bill is the way to get there. Shuffling groups of patients from one risk pool to another or administrative mechanism to another does not address the cause of high health insurance premiums which is high health care costs.

This bill has many of the same elements of *LD 1045 An Act to Support Universal Health Care*, which has recently received a divided report out of HCIFS along party lines. The amended version of the bill (which has not yet been written), makes the establishment of a board similar although not identical to the one in LD 1608, contingent on the federal government's creation of a comprehensive waiver program. The envisioned waiver program (that has been introduced in Congress) would permit states to marshal a broad array of health care dollars being spent today that states do not have jurisdiction over including Medicare and ERISA-preempted employers, among others. The *LD 1045* vehicle would require the board to develop a single payor proposal structured around the waivers established by the federal government. Any proposal would be brought back to the Legislature for consideration before implementation.

More generally, the provision of health care and health insurance is complex, and many factors must be taken into consideration for alternative structure proposals to be actionable and credible. A report from the Congressional Budget Office entitled *Key Design*

*Components and Considerations for Establishing a Single-Payer Health Care System*<sup>1</sup> outlines a series of questions that must be considered and answered before pursuing these types of policy objectives.

- How would the government administer a single-payer health plan?
- Who would be eligible for the plan, and what benefits would it cover?
- What cost sharing, if any, would the plan require?
- What role, if any, would private insurance and other public programs have?
- Which providers would be allowed to participate, and who would own the hospitals and employ the providers?
- How would the single-payer system set provider payment rates and purchase prescription drugs?
- **How would the single-payer system contain health care costs?**
- How would the system be financed?

This bill proposes to move Maine to a single-payor model with robust benefits (including dental and vision, and home health care). No single state has gone this route although there have been attempts.

Vermont provides lessons from its failed attempt to go “single-payor” for Maine to learn from, the loudest being that untamed health-care costs make care increasingly unaffordable no matter how it is paid for.

“What I learned the hard way,” Vermont Governor Shumlin said, “is that public financing will not work until you get costs under control.” His single payer proposal would have doubled Vermont’s budget, raising state income taxes by up to 9.5 percent and placing an 11.5 percent payroll tax on all employers — a burden Governor Shumlin said would pose “a risk of economic shock” — even though Vermonters would no longer pay for private health plans.<sup>2</sup>

When the free market and public programs work together to bring down health care costs, we can expand access to high quality coverage for all Americans. Let’s build on and improve what’s working while fixing what’s broken in health care – not start over.

Thank you for your consideration of these comments.

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<sup>1</sup> <https://www.cbo.gov/system/files/2019-05/55150-singlepayer.pdf>

<sup>2</sup> [https://www.washingtonpost.com/national/health-science/why-vermonts-single-payer-effort-failed-and-what-democrats-can-learn-from-it/2019/04/29/c9789018-3ab8-11e9-a2cd-307b06d0257b\\_story.html?utm\\_term=.93a28b410dd5](https://www.washingtonpost.com/national/health-science/why-vermonts-single-payer-effort-failed-and-what-democrats-can-learn-from-it/2019/04/29/c9789018-3ab8-11e9-a2cd-307b06d0257b_story.html?utm_term=.93a28b410dd5)