



TESTIMONY OF THE MAINE HOSPITAL ASSOCIATION

Neither For Nor Against

[LD 1523](#) -*An Act To Establish the Trust for a Healthy Maine*

And

[LD 1693](#) – *An Act To Advance Health Equity, Improve the Well-being of All Maine People and Create a Health Trust*

February 9, 2022

Senator Claxton, Representative Meyer, and members of the Health and Human Services Committee, my name is Jeffrey Austin and I am here on behalf of the Maine Hospital Association. I am here today to testify Neither For Nor Against LDs 1523 and 1693.

The bills would prohibit the use of tobacco settlement funds (Fund for Healthy Maine funds) for the purpose of providing medical care. See for example, page 8, lines 23-24 of LD 1543 and page 8, lines 25-26 of LD 1693, which has the following language:

The designated disbursements approved by the board may not disburse settlement funds for the purpose of providing medical care.

Currently, \$30 million of the FHM funds are used for medical care in Medicaid program.

MHA has three reactions to this proposal, which were the same as our reactions in 2020 when this legislation was previously rejected.

First, it is a bit unusual for the legislature to set up an advisory board and then tie the hands of that board in putting together a funding plan.

Second, it is more than ironic to prohibit the use of these settlement funds for medical care, when medical care provided to smokers in the Medicaid program is the basis for the settlement funds. Using FHM for medical care is not only perfectly appropriate, it was the justification for the lawsuit.

Third, and most importantly, the bills must require the General Fund to backfill the funding for the Medicaid account which this legislation removes. If either of these bills moves forward, the bill must have a fiscal note with a General Fund appropriation equal to the loss of FHM support. It should not be left to chance to see if the Medicaid program is kept whole.

Thank you.