

MAINE STATE LEGISLATURE

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Pages 777-1562

The SPEAKER: The Chair recognizes the Representative from Yarmouth, Representative Woodbury.

Representative **WOODBURY**: Mr. Speaker, May I pose a question through the Chair?

The SPEAKER: The Representative may pose his question.

Representative **WOODBURY**: Mr. Speaker, Ladies and Gentlemen of the House. Are the Unenrolled and Green Independent members of this body less qualified to be on this committee than the other members of this body?

The SPEAKER: The Representative from Yarmouth, Representative Woodbury has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Old Town, Representative Dunlap.

Representative **DUNLAP**: Mr. Speaker, Ladies and Gentlemen of the House. The answer to the Representative's question is, obviously not. However, all of our documents, rules and the Constitution referred to these types of divisions being made between the party having the most number of seats in the body and the party having the next most number of seats in the body. It does not reflect in the qualifications of any other party member or non-party member.

Pursuant to Joint Rule 102, this Joint Order required the affirmative vote of two-thirds of those present for **PASSAGE**. 103 having voted in the affirmative and 12 in the negative, 103 being more than two-thirds of the membership present, the Joint Order was **PASSED** and sent for concurrence. **ORDERED SENT FORTHWITH.**

The following item was taken up out of order by unanimous consent:

UNFINISHED BUSINESS

The following matter, in the consideration of which the House was engaged at the time of adjournment yesterday, had preference in the Orders of the Day and continued with such preference until disposed of as provided by House Rule 502.

SENATE REPORT - Ought to Pass as Amended by Committee Amendment "A" (S-158) - Committee on BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT on Bill "An Act To Make Minor Technical Changes to the Maine Biomedical Research Program"

(S.P. 436) (L.D. 1345)

- In Senate, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-158) AS AMENDED BY SENATE AMENDMENT "A" (S-269)** thereto.

TABLED - June 11, 2003 (Till Later Today) by Representative **SULLIVAN** of Biddeford.

PENDING - ACCEPTANCE OF COMMITTEE REPORT.

The Committee Report was **ACCEPTED**. The Bill was **READ ONCE**. **Committee Amendment "A" (S-158)** was **READ** by the Clerk.

Senate Amendment "A" (S-269) to Committee Amendment "A" (S-158) was **READ** by the Clerk.

Representative **SULLIVAN** of Biddeford **PRESENTED House Amendment "A" (H-579) to Committee Amendment "A" (S-158)**, which was **READ** by the Clerk.

The SPEAKER: The Chair recognizes the Representative from Biddeford, Representative Sullivan.

Representative **SULLIVAN**: Mr. Speaker, Men and Women of the House. This has been a long process in getting this up. It is a bill that came from Business, Research and Economic Development. There were minor technical changes to the Maine Biomedical Research Program. However, when it reached the other body, it was a unanimous report, they added an

amendment that we knew nothing about so I asked that it be tabled until we could find out what it was. After we tabled it, we did find a technical mistake within that so it had to go back down to the Revisor's Office. In a nutshell, the Maine Biomedical Research Program when they get money from the general fund they have to give a .08 allocation, an obligation to the general fund. With the passage of the bond issue yesterday, if we do not pass this amendment, we will have a situation where that .08 would actually come out of the bond money rather than out of the agency's program general fund. It is not the intention to take that .08 out of the bond money. That is for actual planning to go to build jobs in the biomedical field. We are asking you to please accept this amendment so that we can be sure that the private and nonprofit organizations that are involved in the biomedical program can be taken from the right fund rather than the bond money itself. I would ask you to please accept that.

Subsequently, **House Amendment "A" (H-579) to Committee Amendment "A" (S-158)** was **ADOPTED**.

Senate Amendment "A" (S-269) to Committee Amendment "A" (S-158) was **INDEFINITELY POSTPONED**.

Committee Amendment "A" (S-158) as Amended by House Amendment "A" (H-579) thereto was **ADOPTED**.

Under suspension of the rules, the Bill was given its **SECOND READING WITHOUT REFERENCE** to the Committee on Bills in the **Second Reading**.

The Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (S-158) as Amended by House Amendment "A" (H-579)** thereto in **NON-CONCURRENCE** and sent for concurrence.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH**.

The House recessed until the Sound of the Bell.

(After Recess)

The House was called to order by the Speaker.

The following items were taken up out of order by unanimous consent:

**ENACTORS
Emergency Measure**

An Act To Provide Affordable Health Insurance to Small Businesses and Individuals and To Control Health Care Costs
(H.P. 1187) (L.D. 1611)
(C. "A" H-565)

Reported by the Committee on **Engrossed Bills** as truly and strictly engrossed.

On motion of Representative **CROSTHWAITE** of Ellsworth, the House **RECONSIDERED** its action whereby the Bill was **PASSED TO BE ENGROSSED**.

On further motion of the same Representative, the House **RECONSIDERED** its action whereby **Committee Amendment "A" (H-565)** was **ADOPTED**.

The same Representative **PRESENTED House Amendment "B" (H-573) to Committee Amendment "A" (H-565)** which was **READ** by the Clerk.

The SPEAKER: The Chair recognizes the Representative from Ellsworth, Representative Crosthwaite.

Representative **CROSTHWAITE**: Mr. Speaker, Men and Women of the House. Thank you for the honor of being the first Representative in the 121st Legislature to speak and be preceded by the William Tell Overture.

I rise this evening as one who lived in a system of socialized medicine for 38 years to express very deep concern over what I see as a headlong rush to pass the Dirigo Health Plan at any cost. As of today, the cost will be an immediate drain of \$53 million from the state treasury and the new tax on premium payments. Many of us have heard, I am sure, in phone calls, e-mails, letters and faxes a resounding call from ordinary Mainers to slow down and give everyone a chance to participate in this important process. The amendment that I am offering takes a measured step-by-step approach to the every present crisis. We do need health care reform, no doubt, but I recall the words tonight of a wise old sage who said reformation or reform often comes as a by-product of catastrophe. I, for one, believe it is possible to correct the imbalances in our health care system rather than forcing upon the system more regulation, millions of dollars of new spending and ultimately new taxes.

Mr. Speaker, I present to the body tonight House Amendment "B," which is an evidence based health reform proposal. It is not secret that health insurance in Maine is too high, but other states in the union have less expensive health insurance. Rather than subject 1.3 million Mainers to the Dirigo health experiment, let's enact something that has been proven and proven effective in other states to reduce health insurance and to reduce the rates of the uninsured.

Please allow me to address a few provisions of the ongoing debate. These provisions are contained in this amendment that I present and in essence strip and replace most of the original committee bill language. The first provision is access. It proposes a creation of a high-risk pool and repeals guaranteed issuance in the individual market. It broadens community rating in the individual and small group market to a 4 to 1 ratio for age and at one point a 5 to 1 ratio for smoking and health status modeled after the successful New Hampshire reforms passed in the year 2000. Dirigo health does little for the individuals paying the highest health insurance premiums, those self-employed individuals or those working for companies not offering health insurance and who must purchase it in the individual market. By contrast when both New Hampshire and Kentucky enacted such community rating and high risk pool reforms, health premiums in the individual market dropped by up to 40 percent for some individuals while not increasing cost for older or sicker individuals. The maximum subsidy through Dirigo is 20 percent for an individual. Therefore, this Legislature can adopt these proven reforms and reduce premiums for every one in the individual group by up to 40 percent or we can support Dirigo health and reduce certain people premiums by up to 20 percent paid for by one-time federal money, which is, by the way, still taxpayer money.

Additionally, states adopting these reforms have increased competition in their health care markets, several new carriers have returned to their markets and the number of their residents with private health insurance has increased. The second provision that I would allude to is cost. The amendment says let's correct the geographic access standards for specialty care in hospital services. Geographic access standards prevent hospitals from competing based on price and quality. Removing this restriction will increase competition and reduce health care

costs while not burying providers in increased government regulation.

The Rule 850 language in LD 1611 allows for incentives for lower cost hospitals only if the quality is greater. Therefore, under LD 1611 an insurance carrier cannot encourage low-cost health care if the patient will receive the same quality from the less expensive hospital. This access standard, the only one of its kind in this nation should be repealed outright.

Ladies and gentlemen of the House, competition among health care providers reduces costs and encourages higher quality services. The geographic access standards of Rule 850 squelch competition. Further, this amendment places a \$250,000 cap on non-economic damages in medical liability actions. Maine's liability insurance premiums increase the cost of health care. Reasonable caps will reduce liability insurance and therefore health care costs while also protecting the consumers. This is real cost containment, not some questionable voluntary one such as those found in Dirigo health.

The heart of this matter, once again, is personal responsibility. The third area that I would touch on is that the basic business model behind Dirigo is a flawed one. Dirigo health will expand Medicaid to 6,000 Maine adults with the promise that this would be paid for completely by small employers. Voluntarily joining Dirigo health and paying 60 percent of the cost of health care for their lower income workers to go on Medicaid. These same employers could pay nothing and have these same workers join Medicaid cost free. Why would they join Dirigo? If not enough small businesses join, then there will be a huge hole in the general fund from which to pay for this large Medicaid expansion.

The latest Medicaid expansion is already 400 percent over budget. This is a gamble we cannot afford to make. Dirigo's health budget only includes \$50,000 in marketing and outreach to sign up 30,000 new employees working at small businesses in Maine. Does anyone here really seriously think that this is possible? Dirigo health is a \$53 million gamble on a very flawed business model that makes a promise to Maine's small businesses and lower income individuals with no funding beyond promised savings to health insurance in future years. Let's consider the tax on health insurance premiums or on health care providers or on someone somewhere that ball is still bouncing with no place certain to land.

None of the past Medicaid expansions have resulted in reduced charity care and bad debt for Maine health care providers. The majority of charity care, bad debt, is from individuals with health insurance. In fact, putting more Mainers on Medicaid which significantly underpays for services, will result in even greater cost shifting to private health insurance. This will further increase the cost of health insurance in Maine. Case in point, one rural Maine hospital had its Medicaid claims increased 25 percent last year due to the recent Medicaid expansions. However, the Medicaid losses increased 300 percent and their charity care and bad debt remained unchanged.

Finally, Mr. Speaker, this amendment, a clear and practical alternative addresses changes to Maine's CON law, the Certificate of Need. The Certificate of Need is rejected and failed regulation from the 1970s. It does not make health care less expensive. It actually drives up the cost of health care. States that have CONs spend 11 percent more per capita than states that do not have CON. The LD 1611 action makes changes to CON which will further discourage quality health care professions from moving to Maine. Doctors can join practices in other states or they can come to Maine and have to obtain permission from the state to open a new office. Maine will be the only state in the nation with this regulation of private physicians. This is flawed, I

believe. This is regressive and this will have a chilling affect on physician recruitment and retention.

This amendment offered in good faith believes to be a workable solution to a very serious crisis. It embodies provisions, which are tried and tested. Lowering costs, improving delivery and increasing access to the citizens of Maine. In offering this amendment, I urge my colleagues in this chamber to approve real reform, reform that will work, rather than take a blind gamble that the people of Maine can ill afford to lose.

Ladies and gentlemen of the House, I respectfully urge you to support House Amendment "B" with a filing number of (H-573) and when the vote is taken, Mr. Speaker, I request a roll call vote be ordered. Thank you Mr. Speaker.

The same Representative **REQUESTED** a roll call on the motion to **ADOPT House Amendment "B" (H-573) to Committee Amendment "A" (H-565)**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

Representative O'NEIL of Saco moved that the **House Amendment "B" (H-573) to Committee Amendment "A" (H-565)** be **INDEFINITELY POSTPONED**.

The same Representative **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House Amendment "B" (H-573) to Committee Amendment "A" (H-565)**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The **SPEAKER**: The Chair recognizes the Representative from Saco, Representative O'Neil.

Representative **O'NEIL**: Mr. Speaker, Colleagues of the House. The good Representative from Ellsworth, Representative Crosthwaite brought up several points, all of which have been covered in the beginning of January with the health action team through my committee and the Insurance and Financial Services Committee and most recently in the Health Care Reform Committee. These are very good substantive policy matters, which should be on the table, have been on the table and have been considered. They did not make it into the consensus agreement that you have before you, hence, we really cannot allow the consensus agreement to be pulled apart by adopting this amendment. I urge you to follow my light and Indefinitely Postpone this amendment. Thank you.

The **SPEAKER**: The Chair recognizes the Representative from Poland, Representative Snowe-Mello.

Representative **SNOWE-MELLO**: Mr. Speaker, Ladies and Gentlemen of the House. My nephew got married over the weekend and he was a really nervous young man. I stand today before you really nervous. Usually I am very comfortable and quite at ease at speaking to you. This means so much to me, this whole issue. I stand here today to ask your support of the alternative plan, the evidence based health reform.

Last summer I was introduced to the high-risk pool. I really educated myself and what it was all about. I became very, very interested in it. As I was going door to door there were three things, low-cost insurance, lower taxes and fixing the economy. I decided I had to learn as much as I could to see how I could step forth to help my constituents. When I got to understand the high-risk pool and how it worked, I said this would be great for this state. I asked if I could be a sponsor of the legislation. Senator LaFountain, he was the primary sponsor so I had put the same bill in just so I could get on that piece of legislation. That is how much it means to me. That is how important I felt that a high-risk pool would be for this state.

Ladies and gentlemen, high-risk pools are successful in 31 states. The states that I believe the State of Maine should mirror are the states of Kentucky, New Hampshire and North Dakota. In

recent years both Kentucky and New Hampshire have passed high-risk pools along with broadening their community rating bands. Rates lowered in New Hampshire and Kentucky. Let me give you a few examples that the good Representative Crosthwaite from Ellsworth gave you on the savings that a high-risk pool will provide. A 50 year old male now pays 20 percent less than he did before the risk pool was enacted. In Kentucky, he pays 24 percent less. That is a great savings folks.

According to the US Census Bureau people are most likely to be uninsured when they are between the ages of 18 and 34 years of age. In Maine, we penalize these young people through community rating. Many of you might not know that Maine has some of the highest health insurance rates in this country. Don't you think it is time to put a stop to this?

I am afraid the Dirigo plan will not do that. There are many things that the Dirigo plan does that are very good. The one thing it doesn't do folks is lower the cost of health insurance. It is time to stop experimenting and start looking at what actually works in other states. Don't we all say that when we are in our committee? What is working in other states? How can we duplicate what is happening in other states? Well folks, we have it right in front of our eyes, the high-risk pool. It is just part of the evidence based health reform proposal. This is the part that is extremely important.

I ask you please to support House Amendment "B." I ask you to do so for the people of this state. You would be doing them a tremendous favor. You will finally be able to provide for them the low-cost health insurance that they are asking you to do. Please support House Amendment "B." Thank you.

The **SPEAKER**: The Chair recognizes the Representative from Auburn, Representative Shields.

Representative **SHIELDS**: Mr. Speaker, Ladies and Gentlemen of the House. The aims of Dirigo are admirable, however, it was so rushed that there is no time for thorough research and investigation of this plan. There was no trial period in the bill for it and no pilot program was initiated. I am almost positive that Dirigo is set up fiscally to fail. I have been told the actuaries have thoroughly examined this and that it can't fail. However, those who don't know history are doomed to repeat it. I was in practice in July 1, 1966 when Medicare started. You won't believe what happened after that date and the utilization of that plan and people came forward to get things taken care of that they never had had insurance for before and they suddenly had insurance to cover it and they are going to get their 25 year old problem taken care of.

The government actuaries, of course, were very smart down in Washington and they estimated how much this was going to cost. They woefully underestimated this and it cost twice as much as they thought. The same thing for Medicaid the next year. The actuaries could not anticipate the demand for services that was going to take place when Medicaid started.

You see, Dirigo has no restraint on utilization. Anybody who is insured by Dirigo can go get anything they want anytime. There is nothing to stop them. The number of participants in this plan is going to be only through assumptions. There is no concrete idea in this plan of the fees that are going to be paid to providers, only assumptions. The number of businesses has not been established. The actual market has not been tested. I cannot accept the Dirigo Plan as anything that is going to be successful at all and I urge you to vote against the pending motion and to support House Amendment "B" (H-573).

The **SPEAKER**: The Chair recognizes the Representative from Waterville, Representative Marrache.

Representative **MARRACHE**: Mr. Speaker, Men and Women of the House. I feel I have to stand up and let everybody know

that I probably will be going with this amendment, not to indefinitely postpone it. I ran on the premise that I was going to try to fix health care. I see a lot of good things Dirigo, and, in fact, I wavered back and forth over the last few days whether I should go with it because I had a lot of concerns and some of them were addressed. It wasn't until last night that I actually kind of put my thoughts together. I made a list of the good things and the bad things and I had too many in the bad column. I was too worried. Because I do provide health care outside of this other job, I can see that I would not be servicing my constituents well if I voted for something that I felt was not good for them.

I want to share just a couple of concerns that I have that I just could not get around. One of them was the Certificate of Need. I don't feel that it should be put on physicians. I really don't like it period. I don't think it should be on hospitals. If somebody is willing to go out on a limb and put a million dollars into a facility that would provide x-rays for their practice, maybe they are an orthopedic surgeon or whatever. That only helps the patient. You have the doctor who is going to determine whether he needs to provide a surgery because of a fracture. He can diagnose it right then and there in his office, schedule the surgery and then move on instead of having to send the patient to the hospital who will then have an x-ray done, who will then have to wait until the reading comes through and then will have to wait until the doctor can review it and then maybe schedule it. It just doesn't make sense. To now expand it upon physicians, I don't see where that is cost savings. I can only see it actually increasing costs because now you have to utilize what is existing and nobody can try to make it better by adding more at a lower cost.

I will give you an example. My husband is an internist. He practices internal medicine in Waterville. In an area near us there is an ambulatory unit that provides services for physicians. They do stress testing for people who are having chest pain and may need to go to having a cath done. This is one of those tests that you have done to see whether anything else needs to be done. My husband can do those. He is certified to do those. He does them in the hospital, but there are a lot of other doctors that do it as well and he has to wait until he can schedule his patients, but at this facility if a patient comes in, which clearly happened just the other day when I was not here, but I was practicing in the morning. I had a patient that needed to be treated and taken care of. That person could go directly to this place, my husband who is a practicing doctor could do the stress test right then and there, read it and then send him right off to where needs to go. Will that happen in a hospital? Maybe, but not always. This was a service that prevented the care that he was providing to his patient from being interrupted. He was able to do it all. He was also able to help the VA who was backed up over a year on stress testing. Imagine that? Waiting a year to get a stress test. He was able to utilize this facility to help them catch up. Will that happen without this? No.

The other thing is recruitment. We already have doctors leaving the state. We have had quite a number in my own area. If we do not provide services that will attract them to our state, they will not come. Not only that, but I recently heard that one person who was considering coming here, having heard about Dirigo, decided that they were not even going to interview here. We lost them before they even considered coming here. That will continue to happen. Retention, what about the ones that are already here? Are they going to stay? They may not. We have already heard quite a few physicians say that if it goes through and it fails and destroys my practice, I am out of here. Why go through this? I worry about that.

Quality of care, how can you provide quality of care if you have more and more Medicaid reimbursed patients that don't pay

you enough to meet your overhead, don't give you enough to make your payroll? That means you have to increase the number of patients you are seeing and instead of seeing people every 20 minutes like we try and do in our practice, which is longer than most, you are going to have to see them every 10 or 15 minutes and get 30 to 40 people in to make enough money to actually earn a living here and cover your overhead. These are issues that I have to deal with all the time outside of here. I just cannot feel comfortable enough to vote for what else we have here. I will be voting to not indefinitely postpone. Thank you.

The SPEAKER: The Chair recognizes the Representative from Durham, Representative Vaughn.

Representative VAUGHN: Mr. Speaker, Ladies and Gentlemen of the House. When I was knocking on doors people were not complaining about the high cost of what hospitals were charging for appendectomies. They weren't aware of what is going on on the provider's side of things. What they were talking to me about was the high cost of health insurance. They weren't asking me to have them put on welfare either. The reason we have a problem in this state is it is not a health care crisis, it is a health insurance regulation crisis. The reason we have a health insurance regulation crisis is because the state caused it. We aren't the only ones that did that. Back in the early '90s as you have noticed, the Kentucky situation happened in 1994. I went down into the Law Library and looked a few things up and in 1993 I pulled a file of a state health plan that was attempted to be enacted at that time. That failed, but another bill was put through which enacted community rating. Before these laws were enacted, by the way, we had fairly average insurance rates compared to the other states, but we wanted to make things better. They were good intentioned actions. The community rating law more or less says you will insure everybody at the same cost, regardless of who they are.

If this was car insurance, your average jacked up '57 Chevy hot wheels car driven by a 17 year old driver, would get the same insurance as a commercial tractor trailer and anything in between. That is not the way that is, because that wouldn't be right.

Another provision is called guaranteed issue. That means you have to sell insurance to the tractor trailer and the '57 Chevy and everything in between, even if it is about to crash. That is how our health insurance is set up.

The other thing would be if you didn't have to have auto insurance. If your rates became astronomically high for you in the middle that didn't have either one of those high-risk automobiles or tractor trailers, you would still have to pay the high cost or you can opt to go without. That is where we are at. The other states that have high insurance rates, I believe there are five of them that still have these same laws, community rating and guaranteed issue. We are the second highest after New Jersey. The other states have had reforms, some as few three years after they enacted community rating and guaranteed issue saw what was going on and fixed the problem. You may have seen the flyer I sent out about the Kentucky tariff program having failed. I would like to not see that happen. I believe it we follow tried examples, the most successful ones that have been enacted, the ones that are most applicable to the people in the state we can do the citizens and the workers of this state a great favor by lowering their health insurance costs right away. That is something that has been proven in the other states. I don't understand why we can't follow that lead. I urge you to vote for Amendment "B." Thank you.

The SPEAKER: A roll call has been ordered. The pending question before the House is Indefinite Postponement of House Amendment "B" (H-573) to Committee Amendment "A" (H-565). All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 237

YEA - Adams, Ash, Barstow, Bennett, Blanchette, Bliss, Brannigan, Breault, Bull, Bunker, Canavan, Carr, Clark, Cowger, Craven, Cummings, Dudley, Dugay, Dunlap, Duplessie, Duprey G, Earle, Eder, Faircloth, Fischer, Gagne-Friel, Gerzofsky, Glynn, Grose, Hatch, Hutton, Jackson, Jennings, Kane, Ketterer, Koffman, Landry, Laverriere-Boucher, Lemoine, Lerman, Lessard, Lundeen, Mailhot, Makas, Marley, McGlocklin, McKee, McLaughlin, Mills J, Mills S, Norbert, Norton, O'Brien L, O'Neil, Paradis, Patrick, Pellon, Percy, Perry A, Perry J, Pineau, Pingree, Piotti, Richardson J, Rines, Sampson, Saviello, Simpson, Smith N, Sullivan, Suslovic, Thomas, Thompson, Twomey, Walcott, Watson, Wheeler, Woodbury, Wotton, Young, Mr. Speaker.

NAY - Andrews, Annis, Austin, Berry, Berube, Bierman, Bowen, Bowles, Brown R, Browne W, Bruno, Bryant-Deschenes, Campbell, Churchill E, Churchill J, Clough, Collins, Courtney, Cressey, Crosthwaite, Curley, Daigle, Duprey B, Fletcher, Greeley, Heidrich, Honey, Hotham, Jacobsen, Jodrey, Kaelin, Ledwin, Lewin, Maietta, Marraché, McCormick, McKenney, McNeil, Millett, Moody, Moore, Murphy, Muse, Nutting, O'Brien J, Peavey-Haskell, Rector, Richardson E, Richardson M, Rogers, Rosen, Sherman, Shields, Snowe-Mello, Stone, Sukeforth, Sykes, Tardy, Tobin D, Tobin J, Trahan, Treadwell, Vaughan.

ABSENT - Davis, Finch, Goodwin, Joy, McGowan, Smith W, Usher.

Yes, 81; No, 63; Absent, 7; Excused, 0.

81 having voted in the affirmative and 63 voted in the negative, with 7 being absent, and accordingly **House Amendment "B" (H-573) to Committee Amendment "A" (H-565) was INDEFINITELY POSTPONED.**

Representative KAE LIN of Winterport **PRESENTED House Amendment "C" (H-574) to Committee Amendment "A" (H-565), which was READ** by the Clerk.

The SPEAKER: The Chair recognizes the Representative from Winterport, Representative Kaelin.

Representative KAE LIN: Mr. Speaker, Ladies and Gentlemen of the House. I am a little disappointed with the last vote, but here we are focusing on the Dirigo plan and I wanted to say first that I am not rising in opposition to the Dirigo plan. I think before the end of the evening here, I will probably end up voting for it. I am offering an amendment that I think will significantly strengthen the bill, particularly as it affects Maine businesses. I will explain my amendment in a moment, but I wanted also to commend the members of the Select Committee who have worked so hard over the last two or three weeks to bring the Dirigo plan to us. I don't think it is perfect. I think there is probably as many questions in the minds of everyone in this room as there are in my own about whether it will work. I think there are a lot of questions around the process, but I think it is something that we probably should move ahead as imperfect as it may be.

During the last couple of weeks I think all of us have gone to school on the issue of health care. Certainly I am much more informed than I was when this process began. Like Representative Vaughn said a minute ago, we have to keep in mind that we don't have a health care crisis in this state. We have a health insurance problem in this state. In fact, Maine health care is probably some of the best in the region, if not the best in New England certainly. It has improved tremendously in

our lifetimes here in this state. We have a tremendous amount of health care that is provided to many, many people for free. I think there is a real question in my mind and possibly in the minds of some of you about whether or not people who have enjoyed free health care are going to find themselves in a position of wanting to purchase the Dirigo coverage. We will have to see if that actually happens. The amendment that I am offering speaks directly to the concerns of many Maine businesses and Maine business associations, including the Maine Merchants Association, the Maine Forest Products Council, the Associated Builders and Contractors, the National Federation of Independent Businesses, the Maine Motor Transport Association, the Maine Restaurant Association, the Maine Insurance Agents Association, the Maine Software and Information Technology Industry Association, the Maine Metals Products Association and the Maine Oil Dealers Association.

In addition to the Portland Chamber of Commerce piece that is on your desk projects and presents some of the same concerns that the groups I just mentioned has. In the last day or two in the halls people have said that they are with these guys. How come they are coming out of the woodwork now with an opposition to this plan that has been discussed upstairs for the last two or three weeks? My observation on this process is that it reminds me of a place where I used to go with my brother and sister when I was a kid to go see the bumper cars. In the bumper cars you go in and everybody gets into their car and they rush back and forth and they try to avoid each other or they try to hit each other. At the end it is the people who are left standing. It is similar also to musical chairs where the music changes and stops and all of a sudden there is one fewer chair. First it was the Hospital Association. We ran around in circles about the Hospital Association's concerns. People in Waldo County where I live and work, there were women who were literally crying in fear that they were going to lose their rural hospital. That problem got solved. The Hospital Association is happy now. They are not as happy as others, but they are going along with this. I think what we have found is now that the music has stopped the guy that doesn't have the chair is the business people in the State of Maine who were buying insurance in the private market and will probably stay there, many of them, for some period of time.

In fact, Dirigo depends on the fact that businesses and individuals will stay in the private market and, in fact, restricts the potential for businesses to join Dirigo health. It gives the board of directors' specific authority to limit the number of businesses that can be in the program. I think we have to accept the fact that the private market is going to be there for our businesses.

The concerns that these companies and these business people have can be summarized simply this way. While the Dirigo Health Insurance Program promises to produce savings in Maine's health care delivery system from reductions in the state's health care spending and bad debt and charity care, employers who elect not to purchase Dirigo insurance face the potential for their insurance rates to actually increase by up to 4 percent for private market insurance purchased after July 2005.

LD 1611 does not call this premium tax a tax. The bill calls this a premium increase a savings offset and SOP, but to Maine businesses SOP equals TAX. The bill directs the board of directors of Dirigo health to offer a health insurance product by 2004. People are saying we have got to do this. People want us to do something, but we have to remember that the plan isn't even going to be offered until 2004, October 2004. On an annual basis following that offer, the board of Dirigo health is further directed to calculate a savings offset. That is to represent the saving realized from reductions and bad debt and charity care costs. The savings amount, whatever it may be, certainly a

question in my mind and the minds of many of us in this building in the gallery and on the floor. We don't know if there is going to be a savings or not. We are hoping that there will be. That savings amount is then levied against Maine health insurance carriers and employee benefit excess insurance carriers and third party administrators in the form of a savings offset payment. That is the SOP or the TAX, your choice, to fund the Dirigo subsidy pool.

The amendment that I am presenting to these Maine businesses restricts the amount of savings offset to no more than 75 percent of the savings project by the board. The purpose of this limitation is to send the balance of the savings in Maine's health care spending, whatever that amount is going to be back to Maine businesses in the form of reduced premium costs. If there are going to be health care cost savings, it will be realized by the Dirigo plan. A significant portion should go back to employers who remain in the private insurance market. This is a simple amendment that will help cushion Maine businesses impacts from the real potential that premium costs will actually rise under the Dirigo plan for many people who will remain in the private market.

Ladies and gentlemen of the House, the amendment that I am offering carries a fiscal note. I would encourage you to take a look at it. It is really quite a remarkable fiscal note. It is a \$17 million fiscal note. Apparently that represents 25 percent of the projected savings by someone over at Fiscal and Program Review. In other words, there is going to be \$68 million in potential savings that would be represented as the savings offset payment.

Take a look at this number, \$17 million. This amendment would send that \$17 million back to the businesses in the State of Maine who are buying health care today keeping their health insurance costs down if there is a savings in the cost of health care delivery in the State of Maine. We owe it to those businesses to do that, to give them a break. They were the guys who didn't get the chair at the end of the musical chairs that we just finished up here with in the last couple of days. They are the odd man out. We need to fix this problem for them. Ladies and gentlemen, I encourage you to adopt this amendment. I thank you for the time Mr. Speaker.

Representative MAILHOT of Lewiston moved that **House Amendment "C" (H-574) to Committee Amendment "A" (H-565) be INDEFINITELY POSTPONED.**

The same Representative **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House Amendment "C" (H-574) to Committee Amendment "A" (H-565).**

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The **SPEAKER:** The Chair recognizes the Representative from South Portland, Representative Glynn.

Representative **GLYNN:** Mr. Speaker, Ladies and Gentlemen of the House. I rise and will be supporting the Indefinite Postponement of this amendment, but I did want to explain a little bit about the savings offset premium payments work and how the assessment is going to be made. Essentially the way the offset payments are going to be assessed is that when folks sign up for Dirigo it is anticipated that there is going to be a reduction in bad debt and charity care at doctor's offices and hospitals. Those savings are expected to be in a large amount of money. Those savings are expected to be reflected in reductions and rates at hospitals and at doctor's offices. It is then expected that because the savings are reduced at doctor's offices and hospitals that that savings in turn is going to be passed onto the insurance carriers, which, in turn, will ultimately be passed on to the businesses and also passed onto the consumer.

This was an area that was substantially negotiated and one that helped earn the support for the Majority Report that we are debating this evening. Why this is important is the tax that is going to be assessed, it is a tax, can only be assessed to a maximum of whatever the savings is actually going to be realized. This first year we are going to have the Bush/Collins money. It is coming to the State of Maine. Because of the Republicans in Washington, we are going to have enough money to fund Dirigo and during the first year of funding Dirigo, we are going to get an experience rating on how much savings can actually be realized. The language in the bill is intended to set a maximum amount that this tax can ever be assessed at 4 percent. However, which is important, is the tax that will be assessed up to that maximum cap will never be greater than the bad debt and charity care that are actually going to be realized by both the hospitals and doctor's offices, that is then realized by the insurance carriers, which then will offset that tax. The amendment that has been proposed, I think is an admirable one. It is saying we ought to give a quarter of every dollar that we are able to reduce premiums from bad debt and charity care, we should be able to give that to reduce the cost of health care to both the businesses and to the insured. It is a very lofty goal and a very admirable goal.

I won't be supporting it based on the fact that we were able to negotiate and tie the fact that the tax increase will not be passed on to businesses and passed on to consumers because of this trigger that is in the bill. I did want to explain that. Thank you.

The **SPEAKER:** The Chair recognizes the Representative from Poland, Representative Snowe-Mello.

Representative **SNOWE-MELLO:** Mr. Speaker, Ladies and Gentlemen of the House. The Hippocratic Oath that all physicians take says, do no harm. The Dirigo health plan does that harm, in my belief. I ask that you support House Amendment "C" to minimize the harm of Dirigo. Thank you.

The **SPEAKER:** A roll call has been ordered. The pending question before the House is Indefinite Postponement of House Amendment "C" (H-574) to Committee Amendment "A" (H-565). All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 238

YEA - Adams, Ash, Barstow, Bennett, Blanchette, Bliss, Brannigan, Breault, Bull, Bunker, Canavan, Clark, Cowger, Craven, Cummings, Dudley, Dugay, Dunlap, Duplessie, Duprey G, Earle, Eder, Faircloth, Fischer, Gagne-Friel, Gerzofsky, Glynn, Grose, Hatch, Hutton, Jackson, Jennings, Kane, Ketterer, Koffman, Landry, Laverriere-Boucher, Lemoine, Lerman, Lessard, Lundeen, Mailhot, Makas, Marley, Marraché, McGlocklin, McKee, McLaughlin, Mills J, Mills S, Norbert, Norton, O'Brien J, O'Brien L, O'Neil, Paradis, Patrick, Pellon, Perry A, Perry J, Pineau, Pingree, Piotti, Richardson E, Richardson J, Rines, Sampson, Saviello, Simpson, Smith N, Sullivan, Suslovic, Thomas, Thompson, Twomey, Walcott, Watson, Wheeler, Woodbury, Wotton, Young, Mr. Speaker.

NAY - Andrews, Annis, Austin, Berry, Berube, Bierman, Bowen, Bowles, Brown R, Browne W, Bruno, Bryant-Deschenes, Campbell, Carr, Churchill E, Churchill J, Clough, Collins, Courtney, Cressey, Crosthwaite, Curley, Daigle, Duprey B, Fletcher, Greeley, Heidrich, Honey, Hotham, Jacobsen, Jodrey, Kaelin, Ledwin, Lewin, Maietta, McCormick, McKenney, McNeil, Millett, Moody, Moore, Murphy, Muse, Peavey-Haskell, Percy, Rector, Richardson M, Rogers, Rosen, Sherman, Shields, Snowe-Mello, Stone, Sukeforth, Sykes, Tardy, Tobin D, Tobin J, Trahan, Treadwell, Vaughan.

ABSENT - Davis, Finch, Goodwin, Joy, McGowan, Nutting, Smith W, Usher.

Yes, 82; No, 61; Absent, 8; Excused, 0.

82 having voted in the affirmative and 61 voted in the negative, with 8 being absent, and accordingly **House Amendment "C" (H-574) to Committee Amendment "A" (H-565) was INDEFINITELY POSTPONED.**

Representative BOWEN of Rockport **PRESENTED House Amendment "A" (H-572) to Committee Amendment "A" (H-565), which was READ by the Clerk.**

The SPEAKER: The Chair recognizes the Representative from Rockport, Representative Bowen.

Representative BOWEN: Mr. Speaker, Men and Women of the House. I rise today to ask you to adopt a very minor change to this bill. If you will look at the amendment it is three lines. I think I get the record for the smallest possible amendment to be offered this evening. This is a change for me, at least, that would add a kind of contingency plan, which would make me more comfortable and more willing to vote to enact the plan and give it a chance to work.

I submitted only a handful of bills this session. Nearly all of which met with an untimely end. The one whose defeat disappointed me the most was the bill that I put in to create tax advantage savings accounts for medical expenses, commonly known as medical savings accounts. As health insurance premiums have skyrocketed in recent years, more and more Mainers, particularly working class folks and young families have raised the deductibles on their health insurance policies in order to make those policies more affordable. Today policies with \$3,000 or \$5,000 or even \$10,000 deductibles or more are not uncommon.

My MSA bill would have allowed those policy holders to deposit money for medical expenses in a tax free account as much as we have IRAs for retirement and 529 plans for college tuition and in some small way, at least, help working families to meet the rising costs of their care. Besides providing much needed relief to working families medical savings accounts when combined to high deductible insurance policies have other advantages as well. Many employers nationwide are moving to this combination because they find that buying a high deductible plan and making a contribution to a medical saving account on behalf of their employee is often less expensive than buying that employee a more typical low or no deductible insurance policy. Because MSA account holders pay most medical expenses directly out of their medical saving account by writing a check, using a debit card, their insurance companies, their paperwork and their bureaucracy needed to do their business are removed from most medical transactions, saving money for both insurers and providers and driving down costs.

More importantly, because insurers are removed from the system except in instances where yearly medical expenses exceed the deductible and standard insurance kicks in, MSAs put people back in charge of their own medical spending. People have the power, which encourages them to make more reasonable spending decisions and to become more invested in their own health. MSAs reintroduce the power of the market place and to health care because those with MSAs have a financial incentive to spend their health care dollars wisely. While the plan before us does a lot to add transparency to the system and make prices more readily available, it does little to encourage people to use that information to make more prudent decisions about their care.

My bill never made it out of Taxation I am sorry to say. The fiscal situation in the state being unkind to tax breaks, but I remain convinced that we have an obligation in the current climate to help every Mainer pay for their health care, especially if we can do so in such a way as to cut down overhead and simplify

billing and payment and encourage consumers to spend more wisely. I come before you today to present an amendment that I encourage you to enact that would put you on a path in the event that Dirigo fails to deliver lower premium prices to enact the MSAs here in Maine. Let me be clear about what this amendment would do and would not do.

This amendment does not change the current Dirigo plan, its funding or benefits and does not mandate the enactment of MSAs immediately. The amendment is structured much like the provision on high risk pools adopted by the Health Care Reform Committee. Three years after Dirigo is enacted a study will be done to see what has been accomplished in the way of lowering premium costs. In the event that Dirigo has failed to contain those rising costs relative to premium prices and other comparable states, then Dirigo health will be obligated, under the bill that we are voting on tonight to draft a bill to come before the Legislature that will offer it a high risk pool. This amendment would allow it also to offer a high deductible MSA product in addition to its existing package. It would not replace the existing benefit package and it would require the passage by the Legislature of a separate piece of legislation to actually enact MSAs. Nothing is done automatically and nothing is required of Dirigo health for three years and even then only if it has failed to deliver the cost savings that it promises. It might be helpful then to think of this as a simple insurance policy on Dirigo. It is putting in place a just in case provision so that we have options to turn to in the event that Dirigo needs some tweaking down the road.

This is needed, I think, because for me and I know for others in this body with whom I have spoken, I have struggled with whether or not to support this bill. There is some philosophical approaches in the plan around central planning and some top down things that I am not particularly comfortable with. I still don't know, for instance, how the Dirigo plan will encourage me, as a patient, to live with the \$20 generic drug instead of the \$100 drug I saw on TV. I don't quite see the level of cost containment in the plan, particularly market based cost containment that I would like to see. That being said, I am prepared if we can make this small change to support the bill and give the plan a chance. The plan has some good features. It is certainly creative. The boldness of the Chief Executive and his people bringing forward something that has never been tried before, I think to a certain extent, merit us giving it a try. To be honest, I am skeptical that it will work. I am hopeful that it will.

If we can see our way to ensure that provisions are in place to provide some options and to have other things ready to go in the event that the plan doesn't quite do what we want it to do, then, I, for one, will feel more comfortable that we should move forward and give it a try and sleep better about my decision to support it. I ask for your support. This is a very minor change. It is one that will have no affect on the Dirigo plan if it works as it is designed to, even if these MSAs were enacted. In the event that Dirigo stumbles it would still require that a separate piece of legislation be enacted by the body to make MSAs happen. I think this is a small balance change. It does nothing to harm the existing bill. I ask for your support. For what it is worth, if you don't support it, I, for one, will be very disappointed. Thank you Mr. Speaker.

Representative DUDLEY of Portland moved that **House Amendment "A" (H-572) to Committee Amendment "A" (H-565) be INDEFINITELY POSTPONED.**

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Dudley.

Representative DUDLEY: Mr. Speaker, Men and Women of the House. I would like to remind the chamber that this is a unanimous report, a bipartisan report. Every single member of the committee, both parties, supported the Committee

Amendment. We worked many hours to ensure that we could come out with a bipartisan report. We struck a very delicate balance. To place amendments on the floor onto the Committee Amendment has the potential risk of calling into jeopardy the entire Dirigo health bill.

I have more to add about MSAs than just the threat they pose of imbalancing the Dirigo health plan. Medical savings accounts are already available. Health carriers in Maine are free to bring them into their plans and to offer them in Maine. Unfortunately they have determined that there isn't a market for medical savings accounts in the State of Maine. Further, medical savings accounts result in a cost shift toward low and middle-income people from more wealthy consumers of health care. That is because to fund a medical savings account enough to give you enough money to fund a high deductible insurance policy really puts them beyond the reach of low and middle income people in the State of Maine. By going forward with this amendment we are saying that the costs are too high on upper income people and the costs are too low on low and middle income people and we are shifting those costs. That is why I move Indefinite Postponement. I urge you to join me and remind you again that they are available already. Should insurance carriers wish to offer medical savings accounts, they are available for them to offer and they currently do not because a market for them do not exist. Thank you Mr. Speaker.

Representative MAILHOT of Lewiston **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House Amendment "A" (H-572) to Committee Amendment "A" (H-565)**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: The Chair recognizes the Representative from Yarmouth, Representative Woodbury.

Representative **WOODBURY**: Mr. Speaker, Men and Women of the House. LD 1611 is an exciting health reform initiative. I have high hopes that it will have a positive impact in reducing the number of uninsured in our state in containing the cost of health insurance and health care. I have one disappointment in the bill that this amendment takes one small step to address. My disappointment in the bill is the lack of incentives for patients to participate in making cost effective health care decisions. I believe serious cost containment requires that when we are patients we have some financial stake in the health care that we buy. When it costs us little or nothing out of pocket to use health care, we treat it as if it is free. We are sometimes buying care that we just wouldn't choose if we had to consider its cost. Patient cost sharing through deductibles and coinsurance induces more cost effective health care decision making. It is, in my mind, a critical component of serious cost containment.

The critique of high deductible plans is that deductibles and co-payments aren't affordable for many families. They prevent some people from getting the care they need. This is a legitimate concern. How do you make patient cost sharing affordable? The Health Reform Committee Chair, the Representative from Saco, Representative O'Neil, had some really creative ideas about providing for different deductibles for people at different income levels. I really liked this idea in theory because it adjusts the patient cost sharing to people's ability to pay it. Everyone would have incentive for cost effective health care decision-making, but adjusted to their means.

This idea was probably too innovative and radical for this session, but I hope we will continue to explore innovative ideas along these lines in the future. The amendment from the Representative from Rockport, however, is an idea that has been

around longer, medical savings accounts, and it gets at the same issue. Medical savings accounts also provide a mechanism for people of all means to afford out of pocket costs and have a financial stake in their health care decisions. Medical savings accounts also provide additional retirement savings, which will be increasingly important as the population ages and as we need to find new ways to support the growing older population.

I wish medical savings accounts or other more serious patient cost sharing were directly and explicitly in the Dirigo plan. This amendment, however, is much, much more modest. This amendment just requires a medical savings account option after three years and only if other cost containment has not been effective in the Dirigo plan as it has been put forward already. I think this is an excellent modification of the bill and I encourage you to adopt this modest amendment and defeat the Indefinite Postponement. I think we should give Dirigo a chance to do what we all hope it will do in extending coverage and lowering costs for Maine people. Thank you.

The SPEAKER: The Chair recognizes the Representative from Saco, Representative O'Neil.

Representative **O'NEIL**: Mr. Speaker, Ladies and Gentlemen of the House. My name was invoked so I beg to rise. The good Representative from Yarmouth, Representative Woodbury, my good friend on the Insurance and Financial Services Committee and the Representative from Rockport, Representative Bowen, are in simpatico I think. I do agree. However, absent universal coverage, the remarks from Portland, Representative Dudley, I think are most appropriate. I tried this session to get that sort of idea, as the Representative from Yarmouth, Representative Woodbury, mentioned onto the table, but was not able to do so. The deal that we have before us does not contain it as such. However, if, and when, we get to the point where Dirigo has the ability to accommodate this, I will be the first one to propose it. Support the Indefinite Postponement please.

The SPEAKER: The Chair recognizes the Representative from Rockport, Representative Bowen.

Representative **BOWEN**: Mr. Speaker, Men and Women of the House. To respond to a couple of comments from my colleague from Portland, Representative Dudley, with regard to the question of them being legal in Maine. Yes, they are legal. They are not illegal, but there is no tax protection for deposits from State of Maine taxes. You get no State of Maine tax shelter for deposits in a MSA account. Putting money into that account isn't a whole lot different than putting money in your bank account right now. The trick, what we need to change in Maine is we need to create the tax shelter just like we have for IRAs and other things. On the question of comprehensive coverage, understand how this works. Instead of spending umpteen thousand dollars, for instance, my policy through my school system for me and my family cost my school system about \$12,000. Instead of \$12,000 what they could do is they could buy a high deductible policy with a \$3,000 deductible on it or \$4,000 for a fraction of that price. They could give me the \$4,000 to pay the difference between nothing and the deductible and it would still be less expensive. The beauty of it is that that \$4,000 that they put in that MSA account for me is my money from that point out. I can spend it however I wish to spend it on any medical thing you want, no more arguments about what is covered and what is not covered. You can spend it for whatever you want. In years that you have some kind of catastrophic illness, car accident, pregnancy or something, not that a pregnancy is a catastrophic illness, but high medical expense I guess you should say. That insurance, you would use up your MSA account, the balance up to that \$4,000 limit and then the insurance would kick in and cover the rest. Your out of pocket, nothing. In years when you don't spend it, it

can roll over. You can build a pile of money in there. You can use it to buy long-term care insurance and at retirement you can take it out with no penalty. You can be building a nest egg with this money for the years that you don't have high expenses. This does not just apply to people who have money to afford to put into one of these accounts. This package that I would ask Dirigo to put into place would cover people from the first dollar.

Thank you Mr. Speaker.

The SPEAKER: A roll call has been ordered. The pending question before the House is Indefinite Postponement of House Amendment "A" (H-562) to Committee Amendment "A" (H-565). All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 239

YEA - Adams, Ash, Barstow, Bennett, Blanchette, Bliss, Brannigan, Breault, Bull, Bunker, Canavan, Clark, Cowger, Craven, Cummings, Dudley, Dugay, Dunlap, Duplessie, Duprey G, Earle, Eder, Faircloth, Fischer, Gagne-Friel, Gerzofsky, Glynn, Grose, Hatch, Hutton, Jackson, Jennings, Kane, Ketterer, Koffman, Landry, Laverriere-Boucher, Lemoine, Lerman, Lessard, Lundeen, Mailhot, Makas, Marley, Marraché, McGlocklin, McKee, Mills J, Mills S, Norbert, Norton, O'Brien L, O'Neil, Paradis, Patrick, Pellon, Percy, Perry A, Perry J, Pineau, Pingree, Piotti, Richardson E, Richardson J, Rines, Sampson, Saviello, Simpson, Smith N, Sullivan, Suslovic, Thomas, Thompson, Twomey, Walcott, Watson, Wheeler, Wotton, Young, Mr. Speaker.

NAY - Andrews, Annis, Austin, Berry, Berube, Bierman, Bowen, Bowles, Brown R, Browne W, Bruno, Bryant-Deschenes, Campbell, Carr, Churchill E, Churchill J, Clough, Collins, Courtney, Cressey, Crosthwaite, Curley, Daigle, Duprey B, Fletcher, Greeley, Heidrich, Honey, Hotham, Jacobsen, Jodrey, Kaelin, Ledwin, Lewin, Maietta, McCormick, McKenney, McNeil, Millett, Moody, Moore, Murphy, Muse, Nutting, O'Brien J, Peavey-Haskell, Rector, Richardson M, Rogers, Rosen, Sherman, Shields, Snowe-Mello, Stone, Sukeforth, Sykes, Tardy, Tobin D, Tobin J, Trahan, Treadwell, Vaughan, Woodbury.

ABSENT - Davis, Finch, Goodwin, Joy, McGowan, McLaughlin, Smith W, Usher.

Yes, 80; No, 63; Absent, 8; Excused, 0.

80 having voted in the affirmative and 63 voted in the negative, with 8 being absent, and accordingly **House Amendment "A" (H-572) to Committee Amendment "A" (H-565) was INDEFINITELY POSTPONED.**

Representative CURLEY of Scarborough **PRESENTED House Amendment "D" (H-575) to Committee Amendment "A" (H-565),** which was **READ** by the Clerk.

The SPEAKER: The Chair recognizes the Representative from Scarborough, Representative Curley.

Representative CURLEY: Mr. Speaker, Men and Women of the House. Most of the communication that I have had from my constituents on Dirigo health has been negative. They have had many more questions than I have had answers. They wonder when they are driving in their car to work why members of the select committee say that there are a lot of questions about this plan, we are not sure if it will work, but it has momentum. They wonder why they read in the newspaper that the special interests are happy. They say, "Darlene, aren't we the special interests? Who is standing up for us?" I don't just want to vote no on Dirigo health. We need reform. Out of respect for the Chief Executive and the select committee and the work that they have done, I have proposed a very simple amendment. I suggest we pilot test the Dirigo health insurance plan for one year and one county of the state. The board of directors can select that county. At the end of the year we will evaluate access, cost and quality. Are the uninsured really covered by this plan? Are costs decreased?

Has quality improved and will it be financially sound? Will Medicaid really fund this insurance product? I think it is worth a try. I ask for your support. Thank you.

Representative PERRY of Calais moved that **House Amendment "D" (H-575) to Committee Amendment "A" (H-565) be INDEFINITELY POSTPONED.**

The same Representative **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House Amendment "D" (H-575) to Committee Amendment "A" (H-565).**

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: The Chair recognizes the Representative from Calais, Representative Perry.

Representative PERRY: Mr. Speaker, Ladies and Gentlemen of the House. Dirigo health is trying to address a statewide problem. There are many different areas of the state that have many different types of problems. As an aggregate, it is a statewide problem. The difficulty with picking one county is you would have to develop a plan that will cover the state. When we talk about access and quality, we are talking about many different areas with many different problems. They, as an aggregate, may take a look at our solution. We have insurances that get looked at in terms of how they are developed statewide. Our statistics on premiums are done on a statewide basis. As a state problem, we need to look at this as a statewide solution. I ask you to vote for Indefinite Postponement on this amendment.

The SPEAKER: A roll call has been ordered. The pending question before the House is Indefinitely Postpone House Amendment "D" (H-575) to Committee Amendment "A" (H-565). All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 240

YEA - Adams, Ash, Barstow, Bennett, Blanchette, Bliss, Brannigan, Breault, Bull, Bunker, Canavan, Clark, Cowger, Craven, Cummings, Dudley, Dunlap, Duplessie, Duprey G, Earle, Eder, Faircloth, Fischer, Gagne-Friel, Gerzofsky, Glynn, Grose, Hatch, Hutton, Jackson, Jennings, Kane, Ketterer, Koffman, Landry, Laverriere-Boucher, Lemoine, Lerman, Lessard, Lundeen, Mailhot, Makas, Marley, Marraché, McGlocklin, McKee, McLaughlin, Mills J, Mills S, Moody, Norbert, Norton, O'Brien L, O'Neil, Paradis, Patrick, Pellon, Percy, Perry A, Perry J, Pineau, Pingree, Piotti, Richardson E, Richardson J, Rines, Sampson, Saviello, Simpson, Smith N, Suslovic, Thomas, Thompson, Twomey, Walcott, Watson, Wheeler, Woodbury, Wotton, Young, Mr. Speaker.

NAY - Andrews, Annis, Austin, Berry, Berube, Bierman, Bowen, Bowles, Brown R, Browne W, Bruno, Bryant-Deschenes, Campbell, Carr, Churchill E, Churchill J, Clough, Collins, Courtney, Cressey, Crosthwaite, Curley, Duprey B, Fletcher, Greeley, Heidrich, Honey, Hotham, Jacobsen, Jodrey, Kaelin, Ledwin, Lewin, Maietta, McCormick, McKenney, McNeil, Millett, Moore, Murphy, O'Brien J, Peavey-Haskell, Rector, Richardson M, Rogers, Rosen, Sherman, Shields, Snowe-Mello, Stone, Sukeforth, Sykes, Tardy, Tobin D, Tobin J, Trahan, Treadwell, Vaughan.

ABSENT - Daigle, Davis, Dugay, Finch, Goodwin, Joy, McGowan, Muse, Nutting, Smith W, Sullivan, Usher.

Yes, 81; No, 58; Absent, 12; Excused, 0.

81 having voted in the affirmative and 58 voted in the negative, with 12 being absent, and accordingly **House Amendment "D" (H-575) to Committee Amendment "A" (H-565) was INDEFINITELY POSTPONED.**

Representative CRESSEY of Baldwin **PRESENTED House Amendment "E" (H-577) to Committee Amendment "A" (H-565),** which was **READ** by the Clerk.

The SPEAKER: The Chair recognizes the Representative from Baldwin, Representative Cressey.

Representative **CRESSEY**: Mr. Speaker, Men and Women of the House. I was taught in the Army Reserve as a noncommissioned officer to lead by example. You cannot lead you troops if you are not willing to do the task or the assignment that is given before you. When you jump out of your foxhole or climbing out of a trench into enemy fire, you need to lead by example, otherwise no one will follow.

Men and women of the House, follow me and be an example to those who come under the Dirigo health plan whereby we, as legislators, and the Executive be members and partakers of this plan in which we pay for a portion of our health care and lead by example.

Representative **KANE** of Saco moved that **House Amendment "E" (H-577) to Committee Amendment "A" (H-565) be INDEFINITELY POSTPONED.**

The same Representative **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House Amendment "E" (H-577) to Committee Amendment "A" (H-565).**

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: The Chair recognizes the Representative from Saco, Representative Kane.

Representative **KANE**: Mr. Speaker, Men and Women of the House. It is important to note that the priority for Dirigo health is to provide coverage to help people who cannot afford or who do not have health insurance. Dirigo in its first phase would cover individuals in small groups. As we all know, the Executive and legislators already have insurance. I move Indefinite Postponement and ask for your support.

The SPEAKER: A roll call has been ordered. The pending question before the House is Indefinite Postponement of House Amendment "E" (H-577) to Committee Amendment "A" (H-565). All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 241

YEA - Adams, Ash, Barstow, Bennett, Blanchette, Bliss, Brannigan, Breault, Bull, Bunker, Canavan, Clark, Cowger, Craven, Cummings, Daigle, Dudley, Dunlap, Duplessie, Duprey G, Earle, Eder, Faircloth, Fischer, Gerzofsky, Glynn, Grose, Hatch, Hutton, Jackson, Jennings, Kane, Ketterer, Koffman, Landry, Laverriere-Boucher, Lemoine, Lerman, Lessard, Lundeen, Mailhot, Makas, Marley, Marraché, McGlocklin, McKee, McLaughlin, Millett, Mills J, Mills S, Norbert, O'Brien J, O'Brien L, O'Neil, Paradis, Patrick, Pellon, Percy, Perry A, Perry J, Pineau, Pingree, Piotti, Richardson J, Rines, Sampson, Saviello, Simpson, Smith N, Suslovic, Thomas, Thompson, Tobin D, Twomey, Walcott, Watson, Wheeler, Woodbury, Wotton, Young, Mr. Speaker.

NAY - Andrews, Annis, Austin, Berry, Berube, Bierman, Bowen, Bowles, Brown R, Browne W, Bruno, Bryant-Deschenes, Campbell, Carr, Churchill E, Churchill J, Clough, Collins, Courtney, Cressey, Crosthwaite, Curley, Duprey B, Fletcher, Greeley, Heidrich, Honey, Hotham, Jacobsen, Jodrey, Kaelin, Ledwin, Lewin, Maietta, McCormick, McKenney, McNeil, Moody, Moore, Murphy, Peavey-Haskell, Rector, Richardson E, Richardson M, Rogers, Rosen, Sherman, Shields, Snowe-Mello, Stone, Sukeforth, Sykes, Tardy, Tobin J, Trahan, Treadwell, Vaughan.

ABSENT - Davis, Dugay, Finch, Gagne-Friel, Goodwin, Joy, McGowan, Muse, Norton, Nutting, Smith W, Sullivan, Usher.

Yes, 81; No, 57; Absent, 13; Excused, 0.

81 having voted in the affirmative and 57 voted in the negative, with 13 being absent, and accordingly **House**

Amendment "E" (H-577) to Committee Amendment "A" (H-565) was INDEFINITELY POSTPONED.

The SPEAKER: The Chair recognizes the Representative from South Portland, Representative Glynn.

Representative **GLYNN**: Mr. Speaker, Ladies and Gentlemen of the House. I would be remiss without mentioning a few things about this legislation before we took our final vote. Before I do that, I did want to say as a member of the Joint select committee that it was an honor and a privilege to serve with my colleagues and put forward this legislation, this compromise legislation. One thing that I have learned about a compromise is if there are things that people hate on both sides of the aisle about a bill, probably we did a good job of compromise. There are certainly items in this that all parties did compromise on. I would like to thank very much the efforts of my fellow committee members in working to find some middle ground on several issues. Some of the issues that were addressed in this legislation and were actually talked about in the amendments that I think we should highlight this evening.

One of them was the area of Certificate of Need and the investment fund. Under this Dirigo plan there are going to be two categories that will exist under the CON or the Certificate of Need Investment Funds. That will be for both hospitals and for non-hospitals. The non-hospitals or the ASU, the Ambulatory Surgical Units, are going to have a floor that was negotiated at 12.5 percent of the Capital Investment Fund. I think that that is going to be important as we transition into Dirigo. The doctor's offices that have these day surgery facilities have been a tremendous asset to our state and to the cost of health care and lowering the cost of health care. It is a very cost effective alternative to hospitals. I felt that this amendment that was negotiated, put in a fair compromise and an acknowledgement of the fact that these ambulatory surgical units are very important.

The issue of Rule 850 or the rule access to hospitals was one that was also very hotly debated in our committee. One of the terms that has been set forth in this amendment deals with the issue of quality. There has been a commitment by both the administration and by the joint select committee that by January 2004 when we come back into session next year, the Insurance and Financial Services Committee are going to have rules that are going to be major substantive approved by that committee that are going to define quality. What was charged and what was sent out was that in order to reduce the cost of health care facilities that are a little bit further than most people are used to traveling, there can be financial incentives offered by the health care provider, which includes Dirigo that they can give financial incentive to go to that hospital a little bit further down the road, maybe down in the Portland area. Those costs, because they do the specialty procedures more frequently and because their quality is going to be higher because they do it more frequently, there is a cost savings that is associated with that. This will help decrease the cost of health care for Maine.

That rulemaking is important because this financial incentive is going to be allowed if the facility is of equal or greater quality. It is really producing a financial incentive so people get serious about saving money and those costs can be passed on to the consumers.

One of the other issues that was addressed in these amendments early on was the issue of high-risk pools. This is an issue that I know the Republican caucus feels very strongly about as a solution, in part, to our health care dilemma. I think up front our committee realizes that Dirigo is a risky proposition. There are a lot of assumptions that are made in Dirigo that if our assumptions are wrong, Dirigo will not be successful. All of us are hoping that Dirigo is going to be successful and we are going

to work to make sure it is successful. As part of the negotiations, what was established in it was a plan B. I think that the fact that we were able to come to agreement on a plan B speaks a lot of the committee process. In the plan B we put in a provision to provide for an assessment of Dirigo. Dirigo is on trial. It has three years after operation and after these phases it is going to be assessed. If Dirigo trends of keeping premiums low, the average premiums and the average rates, if they are not decreasing as other states with risk pools have and do and if our uninsured numbers don't decline and should increase as states with risk pools that have declined, then, in fact, the Dirigo Board is charged under this pending legislation to propose a statewide high-risk pool that is going to be consistent with the characteristics of other high-risk pools in other states, which would repeal the guaranteed issuance and expanding of the community rating bands and have a full fledged risk pool provision here in Maine.

I draw a lot of comfort in knowing that is a piece of this Dirigo legislation. While I think it is important that we lead with our best foot saying what we think the solution to health care in Maine is, I think it is very prudent that we have provided in this legislation a plan B and we realize that if, in fact, Dirigo fails, then risk pools is the next most viable option that we should look to.

One of the other issues that was discussed and debated in our committee dealt with the issue of medical malpractice. I think that has been a serious issue in a number of different pieces of legislation we have considered over the last few sessions dealing with those non-economic damages and how, in fact, they get passed onto the consumers. We currently have a very high exposure rate for doctors and people in the medical profession of \$400,000. While our committee could not agree to reduce it to \$250,000, they did agree to do a study of that. That study and that information about the cost impact of this high cap for damages that we have in Maine is going to be coming back to the Legislature and we are going to take a look at it.

One of the other things that was put into the bill, which I also thought was very prudent is the requirement of monthly reports of budgeted and actual expenditures of the non-categorical and that deals with the expansion of Maine Care that is in this legislation. A Representative earlier had referenced the fact, it is a fact, that every time we increase Maine Care eligibility in the State of Maine, what happens is doctor's offices and hospitals have a rise in their bad debt and charity care. They lose money. They lose a lot of money. The reason why is Maine doesn't reimburse with Maine Care at a rate that pays for these expenses. So, in fact, every time they sign more folks up for the rolls, we end up making the problem worse for the doctors and the hospitals, which mean they raise their rates, which, in turn, get passed onto all of us that have health insurance. Because of that recognition, we are going to be receiving reports, the policy committees, the Health and Human Services Committee, the Insurance and Financial Services Committee and the Appropriations Committee, we are going to receiving monthly reports on these actual expenditures of these people so that we understand and realize what it is doing to us budgetary so that we don't get another hole in the budget like the \$30 million hole we are dealing with in the current fiscal budget. Likewise with that, the expansion of those categories has been tied now in this amendment that we are considering, Committee Amendment "A" has been tied to the enrollment of Dirigo. Originally when the bill was first presented, they weren't tied together. Those expansions were going to take place first and then maybe a year later we were going to start enrolling folks in the Dirigo and they have now been tied together so that those expansions in Maine Care benefits aren't going to transpire until enrollment begins, which will probably be around

July 1, 2004. I think that is also an important safety valve and a trigger that is in the bill because what we are saying is that Dirigo is going to decrease the cost of health care and because of that we shouldn't decrease the cost to the providers until such time as those cost relief measures are in place.

For these reasons and a number of others that I won't get into this evening, I did sign onto the Majority Report and I will be supporting it this evening. I thank you for your consideration of these thoughts.

Representative SNOWE-MELLO of Poland **PRESENTED House Amendment "G" (H-583) to Committee Amendment "A" (H-565)**, which was **READ** by the Clerk.

The **SPEAKER**: The Chair recognizes the Representative from Poland, Representative Snowe-Mello.

Representative **SNOWE-MELLO**: Mr. Speaker, Ladies and Gentlemen of the House. Unfortunately I am fighting myself not able to support the Dirigo health plan unless we adopt House Amendment "G." This is your chance folks. For those of you who really feel that a high-risk pool is essential to bring down costs for the people of the State of Maine. What this amendment does is it would create a comprehensive health insurance risk pool association to spread the cost of high-risk individuals among all health insurers. The high-risk pool is funded through an assessment on insurers. This amendment requires the state to submit an application to the federal government for federal funds, federal assistance to create a high-risk pool. That is in the amount of \$1 million. This amendment also removes a guaranteed issuance requirement for individual health plans effective July 1, 2005.

I don't know about other folks, I guess I am extremely impatient. I simply don't want to wait. I believe the facts are in front of us. I believe the proof is in the pudding and I think there are 31 states in our nation who have successful high-risk pools. Three of them are Kentucky, New Hampshire and North Dakota. I hope that many of you have read some of the flyers that I have passed out to each and every one of you and it explains to you what Kentucky did. Kentucky went through a similar situation that we are about to embark on.

Unfortunately it was a failure. It was a failure. They put in a lot of money. They had a lot more resources than the State of Maine did. Because of their infrastructure and the way their system was set up, it wasn't as delicate as our system is now. It wasn't as fractured as our system in Maine is now. They were able to recover. They were able to implement the high-risk pool. New Hampshire has been so successful in their high-risk pool, they are actually looking to increase their benefits. Their benefits now are comparable to the ones that we have on our state plan.

Folks, I ask you to support and adopt House Amendment "G." I believe this is a beautiful compliment to the Dirigo plan. It will strengthen it. It will make it a better plan. It will actually do what we really want it to do. I know all of us want to provide low-cost health insurance to the people of this state. Please support Amendment "G." Thank you.

Representative CANAVAN of Waterville moved that **House Amendment "G" (H-583) to Committee Amendment "A" (H-565) be INDEFINITELY POSTPONED**.

The same Representative **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House Amendment "G" (H-583) to Committee Amendment "A" (H-565)**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The **SPEAKER**: A roll call has been ordered. The pending question before the House is Indefinite Postponement of House Amendment "G" (H-583) to Committee Amendment "A" (H-565). All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 242

YEA - Adams, Ash, Barstow, Bennett, Blanchette, Bliss, Brannigan, Breault, Bull, Bunker, Canavan, Clark, Cowger, Craven, Cummings, Daigle, Dudley, Dunlap, Duplessie, Duprey G, Earle, Eder, Faircloth, Fischer, Gagne-Friel, Gerzofsky, Glynn, Grose, Hatch, Hutton, Jackson, Jennings, Kane, Ketterer, Koffman, Landry, Laverriere-Boucher, Lemoine, Lerman, Lessard, Lundeen, Mailhot, Makas, Marley, McGlocklin, McKee, McLaughlin, Millett, Mills J, Mills S, Norbert, Norton, O'Brien J, O'Brien L, O'Neil, Paradis, Patrick, Pellon, Percy, Perry A, Perry J, Pineau, Pingree, Piotti, Richardson E, Richardson J, Rines, Sampson, Saviello, Sherman, Simpson, Smith N, Sullivan, Suslovic, Thomas, Thompson, Twomey, Walcott, Watson, Wheeler, Woodbury, Wotton, Young, Mr. Speaker.

NAY - Andrews, Annis, Austin, Berry, Berube, Bierman, Bowen, Bowles, Brown R, Browne W, Bruno, Bryant-Deschenes, Campbell, Carr, Churchill E, Churchill J, Clough, Courtney, Cressey, Crosthwaite, Curley, Duprey B, Fletcher, Greeley, Heidrich, Honey, Hotham, Jacobsen, Jodrey, Kaelin, Ledwin, Lewin, Maietta, Marraché, McCormick, McKenney, McNeil, Moody, Moore, Murphy, Nutting, Peavey-Haskell, Rector, Richardson M, Rogers, Rosen, Shields, Snowe-Mello, Stone, Sukeforth, Sykes, Tardy, Tobin D, Tobin J, Trahan, Treadwell, Vaughan.

ABSENT - Collins, Davis, Dugay, Finch, Goodwin, Joy, McGowan, Muse, Smith W, Usher.

Yes, 84; No, 57; Absent, 10; Excused, 0.

84 having voted in the affirmative and 57 voted in the negative, with 10 being absent, and accordingly **House Amendment "G" (H-583) to Committee Amendment "A" (H-565) was INDEFINITELY POSTPONED.**

The SPEAKER: The Chair recognizes the Representative from Sanford, Representative Bowles.

Representative **BOWLES**: Mr. Speaker, Ladies and Gentlemen of the House. Tonight was a night that held great promise, a night that held great hope for the people of Maine. I notice by looking at the clock that we are about an hour away from Friday the 13th. I think there is some symbolism there. I think it has to do with illusion and with promises not fulfilled. I am afraid that this bill that we are about to pass and there is no doubt that we are about to pass it, unfortunately is an illusion and it is a promise that is not going to be fulfilled. It has been interesting to watch the evolution of this from the date that it was first rolled out and the promise that it offered and the excitement that was attached and the people who contacted me almost immediately and were very enthusiastic and very helpful. That euphoria lasted for about a week. The other calls then started coming. The calls that said, I used the last week to read the bill. I am starting to understand what it is that is here. I have concerns. There were a number of groups that had concerns. They started being very vocal. They got very organized and started the phone calls to the Chief Executive, phone calls to us and I am operating under the premise, and I believe it is true, that there is 151 people in this chamber who want to do the right thing. We want to make life better for our constituents and the people of Maine. I believe that of all of you. I believe that of our colleagues down the hall. I believe that of the gentleman who occupies the second floor office. He wanted to do the right thing. We want to do the right thing. This bill is not the right thing.

When the Chief Executive was out campaigning just as we were all out campaigning last year, this has been said many times earlier tonight, one of the chief issues, if not the chief issue of people that we talked to was concern about the cost of health

care and health care insurance. It is a legitimate concern for everyone regardless of their social economic status, regardless of the amount of money that they have, regardless of their health. It is a concern for every American.

We owe them. We owe them our best attempt to do something about it. I know the committee worked very hard and very diligently. I know that sacrifices were made along the way, compromises were made, but along that evolution after all those concerns started to be expressed, those changes and compromises started to be made. Lo and behold some groups went away with their concerns addressed. What happened then? New concerns arose. It was like putting a finger in a dyke. Every time you put a finger in a dyke another hole seemed to open up. Another concern seemed to rise to the top and that concern had to be addressed. We have gotten to the point where we have addressed lots of concerns. We have plugged lots of holes in the dyke and now we are starting to hear from people, real people, the people who pay the premiums, the people who now realize that of all the holes that were filled in the dyke, their hole wasn't plugged.

What we heard from the Chief Executive, what we sincerely heard from him was that he wanted to offer a plan that was going to address three major concerns: quality of health care, access to health care and affordability of health care. That was a huge undertaking. When I look at this bill and I look at the way it has finally ended up and the part we are at right now, it seems to me that it fails on two of those three accounts. I don't understand how this bill is going to improve quality of health care. In fact, I have concerns that it may do just the opposite. I don't understand at all how it is going to improve affordability. In fact, I am sure it going to do just the opposite for individual policyholders and for small businesses. I believe it is going to address access. We are going to put more people on to the Maine Care roles and perhaps enroll some people in Dirigo and that is a good thing.

Two of the three legs of the stool are shorter than the third leg. As a result, I don't think we are going to be able to stand or sit on this stool for very long. I think it is going to collapse under its own weight. We are going to fail, I am afraid, to fulfill the promise that we have made to our constituents and the promise that the Chief Executive sincerely and with good intentions and a good heart made to the people of Maine. We have made the promise that we were going to accomplish certain things and this bill is not going to accomplish those things, despite the good efforts of everyone involved. Reluctantly I am not going to be able to support this bill. Do I wish it ill? Not at all. Do I hope it works and I am wrong? Absolutely. From my perspective at the present time, I just can't see that. If I stand here a year and a half or two years from now and this bill has succeeded, nothing would make me happier than to stand up and say that I was wrong. I hope that is the case, but I can't see it right now. I just cannot support the bill.

The SPEAKER: The Chair recognizes the Representative from Brunswick, Representative Richardson.

Representative **RICHARDSON**: Mr. Speaker, Men and Women of the House. We stand here tonight on a historic moment at 5 or 10 after 11, a historic moment for the people of Maine. We have come together and after four years that I have been here with a lot of talk about health care reform, we are talking about implementing the Dirigo health. I couldn't be more proud of this institution. I couldn't be more proud of our Chief Executive and I couldn't be more proud of the fact that I thought he was bold and innovative and also dogged about his approach towards health care reform. We stand tonight as a party here of hope. This Legislature is here with some hope, not fear. What I

mean by that is we are offering to Maine people hope of some sort of health care reform, not the fear of failure, but the hope of success. I think that is important. It is an important distinction. We ought to remember that as we move forward here. We ought to be very proud of that step that we are now taking. As I mentioned, four years ago as I walked in this institution, all we did was talk about this kind of reform. Now it is here. Don't fear change. We all say we embrace change, but we don't. We fear it. Don't fear this kind of change, which will move Maine forward. We have today 190,000 Mainers without health insurance and that is a crisis. It is a crisis that demands immediate action, not more talk, but immediate action.

We have a unanimous report, don't forget that, a bipartisan report. This Legislature for Maine people is a Legislature of hope, not the Legislature of fear and this unanimous report demonstrates the fact that when we put our hearts and our minds together, we can come out with a product that we can all be very proud of. Let's not wait any longer.

Let's talk for just a moment about quality, access and cost so that you are sure you are making the right decision with respect to quality. There is no doubt in my mind that quality will continue. We have some of the finest health care in the nation. The doctors, the hospitals, the other providers do a fabulous job for us. We are going to review that kind of quality to make sure we keep high standards as we move forward to lower the costs. That is what some of the programs and studies will do in this health care plan. We also look to the issue of cost. We are putting our arms around the costs and hospitals are looking to come forward with their plan to reduce costs. They voluntarily agreed to contain costs. We are looking to leverage money from the federal money with our waivers to allow a two to one match so that access can improve and the eligibility with respect to Cub Care and many other programs can improve as well. We are doing something about quality. We are doing something obviously about the access with allowing more people into the program and then ultimately the cost. Is there anyone in this room that thinks that doing nothing will drive down the costs? I think that as someone explained to me just yesterday, you need to do something. If you don't do something, then we are going to fail in health care delivery in the State of Maine. If you fail that is okay, at least you tried. You will get back up and you will try something else and move forward. I am asking you tonight to take the very first step. Let's be the Legislature of hope for Maine people that we take the first step towards health care reform. If we do that, the people will thank us and we will have done the things that we wanted to do when we came here and that is to make Maine a better place. Please join me in adopting Committee Amendment "A." Thank you for your time.

The SPEAKER: The Chair recognizes the Representative from Harrison, Representative Sykes.

Representative SYKES: Mr. Speaker, Ladies and Gentlemen of the House. I have tried to be a good listener. I have read the information that has been provided to me. I have listened to all sides of this issue. I have asked questions to clarify some of the questions that I had. To me it boils down to the identification of five key components that helped me make my decision as to how I am going to vote on this proposal. The first component is timing. The issue presented to us late in the session, a joint select committee was appointed, able people did an excellent job. My compliments to them. They worked under pressure. They did the best job possible with the time available to them, but they had limited time available to them. In fact, it was interesting to read a description in one of the newspapers after they had presented a document to us. I will quote to you. "Agreement was reached after a night of frenzied deal making."

The second component for me is cost. Start up costs of \$53 million is an awful lot of money. The third component for me is attractiveness. Will someone who has been receiving charitable medical care now decide to pay \$40, \$50 or \$100 a month for health care or will they decide to make a payment on their ATV? The fourth component for me is the biggest component and I have heard it here tonight so many times and that is the lack of confidence. I have heard members of the joint select committee tonight say that if Dirigo fails. I have heard other say, I hope it doesn't. I don't think it is going to work. I heard on the public radio recently a member of the joint select committee quoted, he said it right there on the radio, I don't know if it is going to work. The fifth component for me is, is there a need for immediate action? I see no good reason to rush to judgment and the inherent mistakes that come with a hurried up decision.

Those are the five components for me. I honestly wonder if Dirigo health care was a new prescription drug would the FDA allow the distribution of a new drug with such limited review and lack of confidence. Would you take that pill?

In closing, I think I just took my vehicle into the automotive dealer for a major service. I am leaving on a cross-country trip tomorrow. I don't need my car. In fact, I have another vehicle that I can use. I want that service done now, immediately. The service manager, he is a nice person. He means well. He attaches a fiscal note for my repair indicating that the cost is going to be at least \$1,200. The service manager also states that the repair manual to do this type of repair was just completed after a night of frenzied deal making with the manufacturer. The service manager also states, he is a nice man and he means well, but he will be glad to take my car in, but when the work is done, he doesn't know if it is going to work. Thank you.

The SPEAKER: The Chair recognizes the Representative from Brunswick, Representative Gerzofsky.

Representative GERZOFSKY: Mr. Speaker, Ladies and Gentlemen of the House. Most of you know that I needed health care recently. Without my health care plan here at the State House, I wouldn't have been able to afford what the hospitals did for me. All session I have sat here and heard that we can't afford this and we can't afford that. We can't afford mental health for our patients. We can't afford mental health for our kids. We can't afford new highways and bridges. I have come to the conclusion that there is one thing in this state we truly can't afford and that is to waste any more time in coming up with health care for the people of Maine that don't have the same benefit that we have of a good health care plan. I think it is a shame that we are going to stand here and sit here tonight and debate this. We need this. It is time we had this. We can afford this. If we don't get it right the first time, I have worked on many pieces of legislation that we have had to fine tune the next year. We will be able to do that with this, but we need to get something done because we can't afford not to. No longer should we wait. I hope everybody will vote to pass this. Thank you very much.

The SPEAKER: The Chair recognizes the Representative from Lincoln, Representative Carr.

Representative CARR: Mr. Speaker, Men and Women of the House. I rise tonight to speak in support of LD 1611. I would like to take just a minute to explain to you why I have come to that conclusion. Early on the rural caucus and its members met with different people. We met with Trish Riley, members of the Hospital Association and we also held a weekend rural caucus meeting in Brewer and that was hosted by a family business center at Husson College. We had about 60 people who attended that meeting. They shared with us many of the concerns that they had. Many people traveled as far away as Caribou and Presque Isle to come down and share with us their

concerns. We listened to those concerns. We were fortunate to have a good turnout by legislators there. The concerns that we heard were carried back down to the Chief Executive. Myself and Senator Stanley and Representative Mills from Cornville met with the Chief Executive and shared with him the concerns that we heard. I don't know if it was a result of our meeting or many of the other things that were being said at that time, but there were negotiations that were started and as a result of that, the health care committee came to an agreement. Many of the things that have been said tonight, the concerns that have been shared, I share those same concerns. I am pretty sure that when the people started working on the Declaration of Independence there was concerns. Many of those people didn't think it would work, but we still work under the same things that was started with the Declaration of Independence. Our country was founded upon it and we still live by it today.

My position on this is we have to start somewhere. This may or may not work, but we will never know unless we try it. I encourage you to vote for this. Thank you Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Skowhegan, Representative Richardson.

Representative **RICHARDSON**: Mr. Speaker, Ladies and Gentlemen of the House. It is getting late, but the good Representative from Brunswick said we could afford what we are trying to do. I would like to pose a question to the chair. According to the fiscal note that is attached to the bill, it is going to cost a half a billion dollars annually after you get beyond '05. My question is, if we can afford it, how come we have to depend on federal expenditures and other special revenue funds? Are we sure that we are going to get them?

The SPEAKER: The Representative from Skowhegan, Representative Richardson has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Saco, Representative O'Neil.

Representative **O'NEIL**: Mr. Speaker, Colleagues of the House. In answer to the question, the fiscal note is reflective of the potential growth of Dirigo. While that is a very big number, it is comprised mostly of employer payments and employee payments towards the actual health insurance product. If it is big, that is an optimistic view that the plan will be successful in gaining membership.

The SPEAKER: The Chair recognizes the Representative from Dixfield, Representative Hotham.

Representative **HOTHAM**: Mr. Speaker, Men and Women of the House. I rise this evening to briefly talk to you about my support to adopt Committee Amendment "A." First of all I wish to compliment the Chief Executive and the special select committee on their work on behalf of this effort. I think it was a Herculean task at the least. It is a task that we have before us as was expected when this was started. I support adoption of Committee Amendment "A" with some concerns. I wanted those concerns on the record so that we could be aware of them and be watchful for them as we work through this important piece of legislation. I feel it is, in fact, a work in progress. I am concerned about the funding mechanism. I think it is built on assumptions that may not come to fruition. We need to be prepared to deal with that. We need to be determined to make this work. I am concerned about opening up membership to Medicaid. It is not possible to be married to someone who works in the health care industry, to go home and talk to these people. They will tell you there are flaws in the Medicaid system that need to be fixed that contribute to the cost of health care in the State of Maine. We need to address those issues.

I have another concern and it is a concern regarding access. Whether we want to admit this to ourselves or not, we have

people coming to Maine to take advantage of our benevolence. We should be proud of the work that we do on behalf of those who are the most needy in the State of Maine. We do have a certain percentage of people coming here, as I said, to take advantage of that benevolence. We may be adding another package, another attraction to those folks coming to this state. I know there are certain provisions in this that would provide a deterrent for that. We need to be watchful and mindful of these situations and correct them. What we have here is what I would consider to be a prototype. To use the good Representative from Harrison's analogy of his car being repaired under the conditions by which we have drawn up this piece of legislation, we are going to have to come back and fix that car again. I hope that we are more receptive than we were tonight in dealing with the amendments that were offered. We are going to be talking about high-risk pools. We are going to be talking about medical savings accounts. We will be back addressing these issues, I believe.

Thank you for listening to my concerns. I urge adoption of Committee Amendment "A." Thank you very much.

The SPEAKER: The Chair recognizes the Representative from Saco, Representative O'Neil.

Representative **O'NEIL**: Mr. Speaker, Ladies and Gentlemen of the House. For the first time in about a month I feel pretty good. It is no secret, I think, that a lot of you recognized that I had considerable anxiety over this bill. If I had my druthers, I would have done it differently. I would have done it right, to paraphrase my friend from Sanford, Representative Bowles. To the question of whether we are doing the right thing, I think it is premature to ask and certainly premature to answer. I do thank the committee, the staff, the administration, the interested parties who did come together. Whether we did the right thing or whether we engaged in frenzied negotiations, I call it a process that gave us appreciative inquiry. We took the best of what is in hopes of achieving the best of what could be.

What Dirigo presents tonight, I believe, is a break through. It is universal coverage? No. Will it be? No. It is not single-payer. Up until a few days ago, I could have been giving the speech that I don't want to do this. Some of you have probably cited some of my remarks without actually giving me attribution, but I will take the credit for them or the blame. I am there now, because I asked those questions. No, it isn't perfect. It isn't the way I would have done it, but it is a cohesive unit at this point. Just to illustrate that, there is one big component that jumps out at me. We have significant cost containment, health planning, CON provisions within the bill that providers, especially hospitals, would consider pretty heavy handed. Had they gone to the Representative from Saco, Representative Kane's committee on their own six months ago, they would have been DOA. By linking them in this three-legged stool to the promise, at least the belief, that their bad debt and charity care would be reduced, they are on board. The insurance carriers are on board with the assurance that these costs won't cascade down stream to yet another payer.

As I sit and I listen to people either speak in favor or against or just reservedly in favor or reservedly against, I know what they are going through. My fellow committee members will vouch for the fact that I was a tough sell on this. Even Mr. Speaker can vouch for that. Imagine how I felt when I walked in a month ago and Mr. Speaker said, by the way, you are the sponsor of the Executive's bill. I signed it for you and it is in. Oops!

I came around and it wasn't because I rolled over. It was because I went through the process and I think the process worked. The first year we anticipate that Dirigo has the capacity to accommodate 30,000 folks. They might not be all uninsured

currently. Let's take worse case scenario. Let's say it only insures 5,000 folks. We can guarantee with this new funding mechanism, which was a seat change for me, we can guarantee that this product will be a competitive product. Once it has run through its first year of experience, we will be able to judge whether it has the legs to stand on its own. If it does, I think we will be able to look back and say we did break through back on June 12, 2003. This is hard work. I think while it was frenzied and harried and hurried, we did the work. While I wasn't ready to say I was proud of it a few days ago, I feel pretty darn comfortable right now that it is going to be okay and we will continue to work it. Continue to visit these issues as time goes on.

If I could please ask the indulgence of the House for the last word, let's all move an vote on this thing and adopt Committee Amendment "A." Thank you Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Hampden, Representative Duprey.

Representative **DUPREY**: Mr. Speaker, Ladies and Gentlemen of the House. I will be brief. I know it is late. First, I want to thank the Chief Executive for bringing this bold initiative forward. It really is a bold initiative. If you read the title, "An Act to Provide Affordable Health Insurance to Small Business and Individuals to Control Health Care Costs." You see this bill was written for me and my business. I have 25 employees and I can't afford health insurance for them. That is why this bill was written so the 25 employees that I have can get health insurance. None of them have health insurance right now, not a single one of them. My 65-year-old employee doesn't have it and my 18-year-old employee doesn't have it. None of them have it. Dirigo needs me to sign up in this program for it to succeed because it is predicated on business owners signing up.

Let me give you a quick little background of how businesses grow. Last year I had five employees. This year I have 25 employees. I am really growing. I have a medium sized company now. By the end of the year, I hope to offer health insurance. As a business starts to grow, they start investing back in business and they want to invest in people. They want to keep quality employees. Employees are the business. I was thinking of starting with a small health insurance package, just to give my employees something. They are the reason I am in business. We provide a valuable service. Maybe it would have been a 50/50. I pay 50 percent of the cost, maybe a high deductible, maybe a high co-pay, but it something. It is better than nothing. I wanted to give them something. I couldn't afford to give them the whole package. The problem I see with Dirigo is right from the start an employer has to pay 60 percent of not only the employee, I could be wrong on this, and the dependent. I probably couldn't afford to pay for dependent coverage or any portion thereof for another year or two. This may keep me from supporting this bill. The bill is predicated on businesses signing up and it doesn't happen, then insurance rates will have to go up to cover the Medicare extra rolls. This bill is very complex. I don't understand everything. I think we are going in the right direction, but I just have a big concern about business people really jumping aboard something because if they can't afford it now, even if it is a little bit cheaper, I just don't see them jumping on board.

Unless somebody can explain to me why I am wrong in what I am saying, I can't support this as read. I think it is a gamble and I am not willing to roll the dice with the citizens of Maine's health insurance. I remember when we passed the Healthy Maine Prescription Plan, we made a promise that we would lower prescription drug prices, but yet we pulled that promise away because it was unconstitutional and the court said we couldn't do

it. I am afraid if we pass this, we are promising people this free health care and then a year later we are going to say, sorry, we are going to take it away if we make that mistake. I agree with the Representative from Brunswick, Representative Richardson, when he says we can't be afraid to fail. I am just not willing to gamble with Mainer's health care. I am not willing to gamble for that. Mr. Speaker, when the vote is taken, I request the yeas and nays.

Representative **DUPREY** of Hampden **REQUESTED** a roll call on the motion to **ADOPT Committee Amendment "A" (H-565)**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: The Chair recognizes the Representative from Poland, Representative Snowe-Mello.

Representative **SNOWE-MELLO**: Mr. Speaker, Ladies and Gentlemen of the House. I would like to take the opportunity to thank my fellow colleagues who so diligently spent many hours working on the Dirigo Committee to find a solution to our health care crisis. They certainly had a daunting task in such a short time. I truly do appreciate that. I also have respect for the Chief Executive that has made health reform a priority although I cannot in good faith show support for their drag out plan. I have to tell you why. I have got to get my concerns in the record.

Dirigo plan, ladies and gentlemen, simply will not work as far as I am concerned. For small business it is nothing more than a purchasing alliance, the very concept that the folks who wrote this plan said they do not support. Maine has already passed many purchasing alliance bills that have done nothing and have gone nowhere. Let me tell you a little bit more about the Kentucky care. I really believe, ladies and gentlemen, that we are heading down that pass, the same path that the Kentucky care went down. Kentucky tried a similar plan as the Dirigo plan and they put far more resources and funding into it. It died in a matter of 20 months, less that two years. Maine has far less resources than Kentucky had at the time they put their plan forth. Our State of Maine is on shaky ground in regard to a health insurance delivery system. If the Dirigo plan passes, it will only die sooner than the Kentucky plan did. It is, ladies and gentlemen, a very strong possibility that Maine will not recover as Kentucky did because we have a far more unhealthy health insurance delivery system and a very costly one at that. It will probably be too late for an alternative plan to be implemented. Where is the model in other states that suggest that Dirigo will do nothing for Maine's workers and Maine families and small businesses? There are none. We need to spare money like I mentioned before with Maine families in this grand State of Maine. I do not want folks in our state to wait a moment longer than they have to to have affordable health insurance. What really troubles me is that the Dirigo Insurance Planning Board in the bill will set the percentage of the employee premiums to what our business and folks back home will pay if they choose to opt in and purchase Dirigo for themselves and their employees. I would rather see the Dirigo plan and would like to see what they would be charged now. I cannot vote on blind faith. This is far too serious and far too important to do that. It does sadden me that I simply cannot support the health insurance portion of the Dirigo plan, which, in my mind, doesn't exist.

You may notice that I said the Dirigo insurance plan. I agree with the Portland Chamber of Commerce's position that to provide a portion should be enacted because it simply seems to suit most everyone. The portion of health insurance plan is truly, like I have said before, troubling to me. One of the reasons I came back to Maine and came back to serve my constituents was to put all my efforts into finding a better solution to a health

insurance dilemma. I know that our folks back home are demanding affordable health care insurance. They have access, but they do not have enough choices. They do not, and will not, under the Dirigo plan have the affordable insurance that they are begging us to provide for them.

It is truly hard for me to stand here today and not be able to support this plan. I really truly feel in all my heart that this state can do better.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Dudley.

Representative DUDLEY: Mr. Speaker, Men and Women of the House. I just couldn't let this moment go by without noting that we are on the verge of making history in Maine. What we are talking about tonight is a positive development. It isn't one that is so deserving of such dire predictions. We should be celebrating tonight. All eyes in the country are upon Maine and watching what we are doing. Maine is no different than most states, if not all states, in the union in facing very, very difficult budget times. Maine is not shirking its duty to its citizens and we are making a strong effort toward providing affordable quality universal access to health care for all Maine citizens. I, for one, am very proud of that. I would like to thank the Governor's team, very able experts both in the state and from all over the country, as well as my colleagues on the select committee who acted unanimously in favor of this plan and certainly the Chief Executive.

The SPEAKER: The Chair recognizes the Representative from Saco, Representative O'Neil.

Representative O'NEIL: Mr. Speaker, Men and Women of the House. In answer to the question posed by the Representative from Hampden, Representative Duprey, the 60 percent is actually a ceiling over which he would not be forced to go. I had not planned to speak on this matter tomorrow, so I won't.

The SPEAKER: A roll call has been ordered. The pending question before the House is Adoption of Committee Amendment "A" (H-565). All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 243

YEA - Adams, Annis, Ash, Barstow, Bennett, Blanchette, Bliss, Brannigan, Breault, Brown R, Browne W, Bruno, Bull, Bunker, Campbell, Canavan, Carr, Clark, Collins, Cowger, Craven, Cummings, Daigle, Dudley, Dugay, Dunlap, Duplessie, Duprey G, Earle, Eder, Faircloth, Fischer, Gagne-Friel, Gerzofsky, Glynn, Grose, Hatch, Hotham, Hutton, Jackson, Jennings, Kaelin, Kane, Ketterer, Koffman, Landry, Laverriere-Boucher, Lemoine, Lerman, Lessard, Lundeen, Mailhot, Makas, Marley, McGlocklin, McKee, McLaughlin, Millett, Mills J, Mills S, Moody, Moore, Norbert, Norton, O'Brien L, O'Neil, Paradis, Patrick, Pellon, Percy, Perry A, Perry J, Pineau, Pingree, Piotti, Richardson J, Rines, Rosen, Sampson, Saviello, Simpson, Smith N, Sullivan, Suslovic, Tardy, Thomas, Thompson, Trahan, Twomey, Walcott, Watson, Wheeler, Woodbury, Wotton, Young, Mr. Speaker.

NAY - Andrews, Austin, Berry, Berube, Bierman, Bowen, Bowles, Bryant-Deschenes, Churchill E, Churchill J, Clough, Courtney, Cressey, Crosthwaite, Curley, Duprey B, Fletcher, Greeley, Heidrich, Honey, Jacobsen, Jodrey, Ledwin, Lewin, Maietta, McCormick, McKenney, McNeil, Murphy, Muse, Nutting, O'Brien J, Peavey-Haskell, Rector, Richardson E, Richardson M, Rogers, Shields, Snowe-Mello, Stone, Sukeforth, Sykes, Tobin D, Tobin J, Treadwell, Vaughan.

ABSENT - Davis, Finch, Goodwin, Joy, McGowan, Sherman, Smith W, Usher.

Yes, 96; No, 47; Absent, 8; Excused, 0.

96 having voted in the affirmative and 47 voted in the negative, with 8 being absent, and accordingly **Committee Amendment "A" (H-565) was ADOPTED.**

The Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (H-565)** in concurrence.

Representative GLYNN of South Portland **REQUESTED** a roll call on **PASSAGE TO BE ENACTED.**

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: A roll call has been ordered. The pending question before the House is Enactment. All those in favor will vote yes, those opposed will vote no.

This being an emergency measure, a two-thirds vote of all the members elected to the House being necessary, a total was taken.

ROLL CALL NO. 244

YEA - Adams, Annis, Ash, Barstow, Bennett, Blanchette, Bliss, Brannigan, Breault, Brown R, Browne W, Bruno, Bull, Bunker, Campbell, Canavan, Carr, Clark, Cowger, Craven, Cummings, Daigle, Dudley, Dugay, Dunlap, Duplessie, Duprey G, Earle, Eder, Faircloth, Fischer, Gagne-Friel, Gerzofsky, Glynn, Greeley, Grose, Hatch, Hotham, Hutton, Jackson, Jennings, Kaelin, Kane, Ketterer, Koffman, Landry, Laverriere-Boucher, Lemoine, Lerman, Lessard, Lundeen, Mailhot, Makas, Marley, Marraché, McGlocklin, McKee, McLaughlin, Millett, Mills J, Mills S, Moody, Moore, Norbert, Norton, O'Brien L, O'Neil, Paradis, Patrick, Pellon, Percy, Perry A, Pineau, Pingree, Piotti, Richardson J, Rines, Rosen, Sampson, Saviello, Simpson, Smith N, Suslovic, Tardy, Thomas, Thompson, Trahan, Twomey, Walcott, Watson, Wheeler, Woodbury, Wotton, Young, Mr. Speaker.

NAY - Andrews, Austin, Berry, Berube, Bierman, Bowen, Bowles, Bryant-Deschenes, Churchill E, Churchill J, Clough, Collins, Courtney, Cressey, Crosthwaite, Curley, Duprey B, Fletcher, Heidrich, Honey, Jacobsen, Jodrey, Ledwin, Lewin, Maietta, McCormick, McKenney, McNeil, Murphy, Muse, Nutting, O'Brien J, Peavey-Haskell, Rector, Richardson E, Richardson M, Rogers, Shields, Snowe-Mello, Stone, Sukeforth, Sykes, Tobin D, Tobin J, Treadwell, Vaughan.

ABSENT - Davis, Finch, Goodwin, Joy, McGowan, Perry J, Sherman, Smith W, Sullivan, Usher.

Yes, 95; No, 46; Absent, 10; Excused, 0.

95 having voted in the affirmative and 46 voted in the negative, with 10 being absent, and accordingly the Bill **FAILED PASSAGE TO BE ENACTED** and was sent to the Senate.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH.**

**ENACTORS
Emergency Measure**

Resolve, Directing the Department of Human Services To Establish an Advisory Task Force to Examine Staff-child Ratios and Maximum Group Size in Child Care Facilities

(H.P. 538) (L.D. 732)
(S. "A" S-277 to C. "A" H-168)

Reported by the Committee on **Engrossed Bills** as truly and strictly engrossed. This being an emergency measure, a two-thirds vote of all the members elected to the House being necessary, a total was taken. 122 voted in favor of the same and 12 against, and accordingly the Resolve was **FINALLY PASSED**, signed by the Speaker and sent to the Senate. **ORDERED SENT FORTHWITH.**