

MAINE STATE LEGISLATURE

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Martin JL, Mazurek, McCabe, McFadden, McLeod, Miller, Millett, Morrison, Nass, Nelson, Nutting, O'Brien, Pendleton, Peoples, Percy, Perry, Peterson, Pieh, Pilon, Pinkham, Piotti, Plummer, Prescott, Priest, Rankin, Richardson D, Rosen, Rotundo, Russell, Sanborn, Sarty, Saviello, Schatz, Shaw, Sirois, Smith, Stevens, Strang Burgess, Stuckey, Sutherland, Sykes, Tardy, Thibodeau, Tilton, Treat, Trinward, Tuttle, Valentino, Van Wie, Wagner J, Wagner R, Watson, Webster, Welsh, Wheeler, Willette, Wright, Madam Speaker.

NAY - Joy, Langley, McKane, Richardson W, Robinson, Theriault, Thomas, Weaver.

ABSENT - Beaudette, Blanchard, Carey, Celli, Cushing, Greeley, Johnson, Pratt.

Yes, 135; No, 8; Absent, 8; Excused, 0.

135 having voted in the affirmative and 8 voted in the negative, with 8 being absent, and accordingly the Bill was **PASSED TO BE ENACTED**, signed by the Speaker and sent to the Senate.

An Act To Strengthen Sustainable Long-term Supportive Services for Maine Citizens

(H.P. 745) (L.D. 1078)
(C. "A" H-351)

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

On motion of Representative BERRY of Bowdoinham, was **SET ASIDE**.

The same Representative **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 Passage to be Enacted. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 170

YEA - Adams, Austin, Ayotte, Beaudette, Beaudoin, Beaulieu, Beck, Berry, Bickford, Blodgett, Boland, Bolduc, Briggs, Browne W, Bryant, Burns, Butterfield, Cain, Campbell, Casavant, Cebra, Chase, Clark H, Clark T, Cleary, Cohen, Connor, Cornell du Houx, Cotta, Crafts, Cray, Crockett J, Crockett P, Curtis, Davis, Dill, Dostie, Driscoll, Duchesne, Eaton, Eberle, Edgecomb, Eves, Finch, Fitts, Flaherty, Flemings, Fletcher, Flood, Fossel, Gifford, Gilbert, Giles, Goode, Hamper, Hanley, Harlow, Harvell, Haskell, Hayes, Hill, Hinck, Hogan, Hunt, Innes Walsh, Jones, Joy, Kaenrath, Kent, Knapp, Knight, Kruger, Lajoie, Langley, Legg, Lewin, Lovejoy, MacDonald, Magnan, Martin JR, Martin JL, Mazurek, McCabe, McFadden, McKane, McLeod, Miller, Millett, Morrison, Nass, Nelson, Nutting, O'Brien, Pendleton, Peoples, Percy, Perry, Peterson, Pieh, Pilon, Pinkham, Piotti, Plummer, Prescott, Priest, Rankin, Richardson D, Richardson W, Robinson, Rosen, Rotundo, Russell, Sanborn, Sarty, Saviello, Schatz, Sirois, Smith, Stevens, Strang Burgess, Stuckey, Sutherland, Sykes, Tardy, Theriault, Thibodeau, Thomas, Tilton, Treat, Trinward, Tuttle, Valentino, Van Wie, Wagner J, Wagner R, Watson, Weaver, Webster, Welsh, Wheeler, Willette, Wright, Madam Speaker.

NAY - NONE.

ABSENT - Blanchard, Carey, Celli, Cushing, Greeley, Johnson, Pratt, Shaw.

Yes, 143; No, 0; Absent, 8; Excused, 0.

143 having voted in the affirmative and 0 voted in the negative, with 8 being absent, and accordingly the Bill was **PASSED TO BE ENACTED**, signed by the Speaker and sent to the Senate.

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

The Chair laid before the House the following item which was **TABLED** earlier in today's session:

SENATE DIVIDED REPORT - Report "A" (9) **Ought to Pass as Amended by Committee Amendment "A" (S-252)** - Report "B" (3) **Ought Not to Pass** - Report "C" (1) **Ought to Pass as Amended by Committee Amendment "B" (S-253)** - Committee on **STATE AND LOCAL GOVERNMENT** on Bill "An Act To Authorize the Annexation of a Portion of Redington Township in Franklin County to the Town of Carrabassett Valley" (EMERGENCY)

(S.P. 288) (L.D. 741)

Which was **TABLED** by Representative PIOTTI of Unity pending **ACCEPTANCE** of any Report.

Representative BEAUDETTE of Biddeford moved that the House **ACCEPT** Report "B" **Ought Not to Pass**.

Representative EATON of Sullivan **REQUESTED** a roll call on the motion to **ACCEPT** Report "B" **Ought Not to Pass**.

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 Sullivan, Representative Eaton.

Representative EATON: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I request a roll call on this because I'm quite frustrated with our inability to move projects so necessary to our state in a proper direction. I really do believe in local rule and local control, and I also believe that there are times where we must, as a body, speak up to the needs to the State of Maine. We have outrageous energy costs and impact on our state. It's time for us as a body to step up and do something about it, and if annexation of the Redington Township to move this project ahead is what's required, then I will support that. Thank you, Madam Speaker.

On motion of Representative BEAUDETTE of Biddeford, **TABLED** pending his motion to **ACCEPT** Report "B" **Ought Not to Pass** and later today assigned. (Roll Call Ordered)

The Chair laid before the House the following item which was **TABLED** earlier in today's session:

HOUSE DIVIDED REPORT - Majority (9) **Ought to Pass as Amended by Committee Amendment "A" (H-490)** - Minority (4) **Ought to Pass as Amended by Committee Amendment "B" (H-491)** - Committee on **INSURANCE AND FINANCIAL SERVICES** on Bill "An Act To Stabilize Funding and Enable DirigoChoice To Reach More Uninsured"

(H.P. 883) (L.D. 1264)

Which was **TABLED** by Representative TREAT of Hallowell pending her motion to **ACCEPT** the Majority **Ought to Pass as Amended** Report.

Representative MCKANE of Newcastle **REQUESTED** a roll call on the motion to **ACCEPT** the Majority **Ought to Pass as Amended** Report.

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 Warren, Representative Richardson.

Representative RICHARDSON: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I rise today in opposition of this bill and basically to just give a

couple of things. The Dirigo Health Agency, this is supposed to help the cash flow situation of this agency, and I just want to give you a couple of numbers. Since the beginning, initially they had \$50 million. We've had at least one payment from the Fund for Healthy Maine of \$5 million; we've had an SOP, savings offset payment; we've had premiums collected from policy holders; and as of June 30th, we'll be \$20 million overdrawn. I think really that this has really gone too far. We do have a proposal as an amendment, which I won't go into now, which I think would be better for the agency.

The other thing I really want to mention is that, last November, we had a vote on this very same type of issue, a 65-35 reject by the voters, for this same type of tax. Now people are going to say, oh, that was a soda tax, it doesn't count. I think it reflects the Dirigo Agency and what they've been able to do. This new tax is going to be increased by 34 basis points. Again, I want you to be reminded that Dirigo membership continues to decline. Thank you, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Hallowell, Representative Treat.

Representative **TREAT**: Thank you, Madam Speaker. Madam Speaker, Men and Women of the House. I urge that you support the Majority Ought to Pass Report of the committee on this bill. LD 1264, plain and simple, makes sure that people and small businesses, as well as nonprofits, in our communities, who currently rely on the DirigoChoice insurance product, or who want to sign up for this insurance option, continue to have that choice. I want to just briefly tick through a few of the things that this bill does, but first I'm going to go straight to the point of the opposition, which is this is some new tax. No it's not. This is the continuation of the funding amount that right now is being paid by people in the State of Maine already. It's changing it from something called a savings offset payment into an assessment that just is a flat assessment, that is ongoing. Now what's the big deal, why does this matter? You heard the good Representative from Warren, Representative Richardson say well you know there's really not very many people on Dirigo. Oh really? Well, there's a reason for that. It's because we're got a cockamamie funding system that assesses people every year through the state savings offset payment, a savings offset payment has to go through a hearing process, which costs one agency of this state a million dollars every single year. That's a million dollars that could be going to providing access to health care, that could be going to doing many other things that people would like to do in this state, many things that we in fact cut out of the budget. A million dollars really just wasted, so that we can fight about how much the saving offset payment is, when, in the end, it's going to be assessed anyway. Why not, as I said, cut to the chase, just assess it, and that's what the committee decided to do.

Now there's a number of things about what we do right now that don't make sense, which have led directly to the program being capped repeatedly, so that many, many people, including the 2,000 that have been waiting to get into the program over this last year, many, many people who would like to be in it cannot get into it. One of the major reasons is that there's this interesting accounting mechanism which collects this savings offset payment, over a period of 27 months, but then pays out the benefits, or tries to, over 12 months. Well now, let's do the math, okay? You're going along trying to collect the money, but it takes 27 months to collect it, yet you have to pay it out in 12. Hmmm. I think there's something wrong with this picture. Maybe it just isn't adding up. In fact, someone might say this isn't how we would run a business, and you're right, it's not how we run a business, it's not how we run state government. This Majority Report will change that. This Majority Report will collect the amount of

money over 12 months and then it will pay off the amount of money in benefits to people, as well as subsidized care, over a period of 12 months, and it will allow more people to participate in this program, who want to participate in it, and it won't rely on a mechanism, both of setting the fees that are paid to fund it nor of collecting it, that really doesn't make much sense. So this Majority Report provides for a consistent funding source. It gets rid of what I would call an accounting nightmare and our committee heard all too much about this, during the hearings on this. It reduces administrative waste and lawyer's fees. It takes steps to redesign the program and to have the board of Dirigo look to redesign the product to see if there are more affordable options. The Amendment "A", which is the Committee Report, the Majority Report, also allows the board to do voucher options that might make insurance available through other companies. It allows the state to partner with the Federal Government, because we will have a program that is ready and waiting, and indeed there are grant proposals just waiting for us to pass this bill, which we could take advantage of to cover people who have been laid off and want to take advantage of it. It eliminates the cap on enrollment, and it continues to offer the product to many small businesses and other people. I just want to, I have a handful of the many, many communications to our committee, and I just want to make a point here. I think there are a lot of misconceptions about this program. One of the things about it that is really the essence of Dirigo is that it's a partnership between a private company, which is the insurance company, the government and the funding sources that we have, the private sector in terms of the hospitals and the insurance companies as well, and the individuals who sign up, who pay membership fees, who pay premiums, who pay co-pays. Seventeen percent of the people on the DirigoChoice program pay 100 percent of their costs. It's a program where it's a sliding fee program, and this is so much of what we talk about here. Why can't we come up with health care where it's based on the ability to pay, and there are sliding fees so that someone who can pay more pays more and someone who has less pays less? It's one of the only options available to many small businesses.

As I mentioned, I have a handful of the many communications to us, and one of them I found particularly charming. It's on a packing list and the owner of this company, which is an electric company in Madawaska, crossed out packing list and wrote letter of support. It's admirably short. It just says: *As a small business owner, we really rely on the Dirigo program as a means of operation. Please help us continue the program.* Here's another one. It says: *My husband and I will be 60 this year. We've been with the Dirigo program for four or five years now. He's been self-employed since 1976; our children were raised at home and not in daycare. I have not worked outside of the home. We went with Dirigo Health. This was after they were at one point paying over \$17,000 a year for insurance with a high deductible. They end by saying: This is really, really important to us because we need medical care and this allows us to do it.* Here's a letter that came from Freeport: *My husband Eric and I own and operate a small business. We have been DirigoChoice members since its inception. Dirigo has allowed us to start and grow our business, which is now on its way to stable viability. Giving the high risks associated with creating a new enterprise, it would have been very difficult for Eric and I to make the decision to leave our two children and ourselves without insurance while we focused on creating a new company. Thanks to Dirigo, this enterprise is alive and well.*

We know there are many people who are healthy today because they have had this option, but I think it's also important to remember that this is an economic development tool for this

state, and we've had a lot of bills here over the last several days, where we've voted on economic development, we have debated what's the best way to do it. This is an ongoing program, it continues the program, and it benefits those who like it. If you don't want to take advantage of it, you don't have to. But for those people who are on this program now, who are taking advantage of this insurance option, it's an excellent option. This report will make it a better option, and I encourage your strong support of the Majority Ought to Pass. Thank you.

The SPEAKER: The Chair recognizes the Representative from Newfield, Representative Campbell.

Representative **CAMPBELL**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. About six years ago, I first voted on Dirigo. It was pretty even on both sides of the aisle. Then I went home that summer—and I don't want to sound like a broken record, but there are a lot of new faces in the chamber—and found out that Anthem BlueCross BlueShield was going to run this program. Well, my first reaction was like it's like buying a piece of land and building a little general store and walking across the street and ask Hannaford if they'll run it for you. Then I find out that we spent \$50 million, as one of my colleagues just said, to start Dirigo, and to find out that Anthem BlueCross BlueShield gave their CEO a \$42.5 million bonus. What a slap in the face that was to this Legislature, on both sides of the aisle, and the people of the State of Maine. Now all I hear is that Dirigo doesn't work.

I speak to the people that are on Dirigo. Like I came up here with the fourth grade for the Shapleigh school two years ago, and on the school bus, one of the women from Shapleigh, with tears in her eyes, right after we voted for the beer and wine tax, told me that she was the only one in the family that had insurance and she was scared that she was going to lose it, and it was Dirigo, and she said she was being treated for cancer. Well, I said then and I say now, how would I have felt looking her in the eye to say well I voted to take it away from you.

We also had some members of this House leave last time. We're only part-timers. We work six months and the next year we work four months, so we're elected for 24 months, we work up here 10 months, but we get full-time benefits, at the new price of \$686.66. To the legislator's share, nothing. To the taxpayers, not the state, to the taxpayers, they pay the \$686. Now we'll talk about the scale, I talk about a 12 inch ruler. The bottom four inches, the bottom third, have health insurance paid for by the taxpayers of the State of Maine and the Federal Government. Then we'll go up to the top four inches of that ruler, and that's us, being paid for by the taxpayers, full-time benefit that we take, and then go home and ask for their support and then try to cut back on MaineCare and cut back on Dirigo and they say it's not working, but I don't see anybody stepping up to the plate and saying, when I leave here, I don't want any insurance, I want it to go to the taxpayers of Maine. They didn't want to support this with the beer and wine tax, now they don't want to support it with this. I say that we should pass this bill. Thank you very much, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Newcastle, Representative McKane.

Representative **McKANE**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. My good friend, the good Representative from Hallowell, referred to the current funding system, the savings offset payment, as a cockamamie funding scheme. I would allow, and I think some of the members of this body and I think a lot of our constituents would refer to more than just the funding mechanism as a cockamamie scheme. LD 1264 is a permanent, new tax to fund Dirigo. It's important to remember that next year Dirigo will

reduce its membership to 5,200, in order to pay off what the program has borrowed from the General Fund. Next year, Dirigo will receive \$40.7 million from this assessment and the remaining savings offset payments due, \$19.2 million in premiums paid by employers and individuals, \$4.7 million for each year of the biennium, that's over \$9 million coming out of the Fund for a Healthy Maine. That's what we're spending a lot of the money from the Fund for a Healthy Maine for is directly into the Dirigo program, \$500,000 for membership fees. That's \$65.1 million in revenue that is going to the Dirigo program. Now if you subtract the \$5.1 million that goes to subsidize the MaineCare expansion and you subtract the \$1 million for the Maine Quality Forum, you have \$59 million left to pay for the 5,200 people on the program. That works out to about \$11,300 per enrollee in the Dirigo program, for over \$45,000 per family of four through Dirigo. Not very efficient. Three to four times what it would cost just to buy that insurance on the open market. Now by this time, when this body proposed Dirigo back in 2002, by this time we were supposed to have had 100,000 people enrolled on Dirigo. Now if I get my calculator out and multiply 11,000 x 100,000, I get \$1.1 billion we would be spending now on Dirigo to insure these people, not very efficient, a lot of money. We were also supposed to get funding from the Federal Government to help with Dirigo, we never did.

The taxes on health insurance were rejected soundly by the voters last November. I wonder why we think that they would go along with a new higher tax on health insurance this time around. The sad truth is that the people who are already struggling to pay for health insurance shouldn't be the ones to pay for Dirigo. It should struggle, just like every program does, for money through the General Fund. Thank you, Madam Speaker.

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

Representative **PILON**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. My colleague from Newcastle, I'm a little bit intrigued by your numbers. My numbers are a little bit different, but be that as it may, in the bill, in LD 1264, they referred to the Maine Quality Forum, which is funded by the SOP and, in the SOP, they allocate a million dollars each year from the SOP to fund the Maine Quality Forum, which is an oversight board. The board's duties in this are to look at procedures, to look at ways to enhance the Dirigo product. It says the board of trustees of the Dirigo Health to reach more uninsured and underinsured individuals through a more affordable product and to report to the joint standing committee of IF & S, and it goes on. No where in this bill or in this narrative does it say anything about how we're going to expand the program, how we're going to market the program. Since the inception of the program, there has never been a marketing program. There has never been a method in which to expand the program, a marketing program, how to reach more participants. That's why the program has failed, that's why we haven't seen over 100,000 participants. There's no marketing program. You simply can't take a product, add new pieces to it and say, okay, we've got a new product, put it out in the newspaper and expect the phone to ring. You have to go out and market the product. It's never happened, that's why we don't have the enrollment we thought we were going to have. We don't have a marketing program. That's why this product has never been successful.

There are approximately 9,630 participants in this program since April 2009. We're looking for \$53 million to fund 9,630 people. Of that, \$31 million is the cost of the subsidies; 54 percent of the members are 80 percent of the subsidies. That's a huge amount of money. It's just too expensive. It's not

sustainable. Since fiscal year '06, employees and state contributions to the program are approximately \$273 million, a huge amount of money for very, very little participation. That's why I can't support this. Thank you.

The SPEAKER: The Chair recognizes the Representative from Millinocket, Representative Clark.

Representative **CLARK**: Thank you, Madam Speaker. Madam Speaker, Men and Women of the House. I stand in front of you this evening to speak in favor of Dirigo, and I want to tell you why. Back in 2003, as I indicated before on the House floor, 1,100 workers lost their job at what they call Great Northern Paper Company, back in 2003—1,100 people. Right following that, 900 active employees who had medical insurance—who had medical insurance—lost their medical insurance. I can tell you right now, I would not be going home and telling people I represent, I mean, it's going to be cutting another medical plan on their behalf. When I was at mass this Sunday, the first thing, when I was coming out the door, they kept saying don't cut my Dirigo, please, we can't afford to lose anymore medical insurance. I'll be the first to tell you we need to find a better way to fund Dirigo, yes we do. What do you do with the people on it today? Too many people in the state had fell by the wayside because their employees or employer, whatever, eliminates their programs—eliminates their programs. Now how do those people, when they left that plant thinking they had that for life, they thought they had it for life. The only thing they have today that's salvation is Dirigo. A lot of the small businesses in our area have Dirigo. Yes, we're going to have to find a better way to fund it, but please make sure the ones who are in it now stay in it. They're having a hard enough time now making ends meet without taking away the medical plan. Thank you very much, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Kennebunk, Representative Legg.

Representative **LEGG**: Thank you, Madam Speaker. Madam Speaker, Men and Women of the House. The fundamental problem with the Dirigo program is the financial problem. For any of you who have ever run a business or managed a budget or budgets, you know that cash flow is critical and managing cash flow is critical to the success of that business. Dirigo can't do that because they have a 27 month imposed collection time on their cash flow, which means the state has costly had to operate a line of credit to bail them out, and then they get paid off when they collect 27 months, and this continues to flow, their cash flow. That dooms Dirigo. This bill fixed that and it will get Dirigo off the borrowing mode that they've been in by June 2010. They will be paid monthly now, that's the way it ought to be. That's the way any business operates, to have regular payment of money that's owned you. That was taken away from Dirigo in 2005. That's why it hadn't grown, that's why it's now capped with a large waiting list, and that's why, more than ever, Maine needs this program with all the people losing their health insurance. So I'm very much in support of this bill. It was a 9-4 vote in our committee, and I really hope that you will continue Dirigo. We can fix it with this bill on the financial side and let it compete from then on.

The SPEAKER: The Chair recognizes the Representative from Alna, Representative Fossel.

Representative **FOSSEL**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. To cut to the chase, never have so many Mainers spent so much and gotten so little. Let's vote this thing down and go to the Minority Report. Thank you.

The SPEAKER: The Chair recognizes the Representative from Caswell, Representative Ayotte.

Representative **AYOTTE**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I doubt that I garner many votes or that anyone garners any votes by speaking on the floor of the House, but I will still try. I will support any program that will help a family in Maine get insurance in a less expensive manner, especially when insurance costs for a family is about anywhere between \$1,800 and \$2,000 a month for family insurance. That's an egregious price to pay. However, it seems strange to me that so many people are interested in getting the people of Maine a less expensive insurance when, about a month ago, we defeated a bill that would have allowed Mainers to buy out of state insurance at a less expensive rate. However, I won't belabor the point, and I will probably support the bill because I have many families and I feel for these families that cannot afford health insurance and are too proud so they go without insurance. However, we should rethink our priorities. Thank you, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Belfast, Representative Giles.

Representative **GILES**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. As I rise to speak, I want to preface it with I support seeing every man, woman and child in this state have health insurance; however, I am going to speak against the pending motion and I'm going to think of it a little more broadly and back up. I wasn't part of the Legislature when this was passed in, from what I understand, a fairly bipartisan basis, Dirigo, first was six years ago. However, if you had put together a business plan that proposed to have 130,000 customers within a few years and, at the end of that five or six year time period, you had less than 10,000 customers and was having to limit it to even less than that, I would question whether or not the business was viable. I would also look more deeply into it and said if I had taken \$53 million in startup capital, which if used and managed properly could have probably helped finance some of the funding gap that we've been hearing about today, I would question that as well. I would also question \$9 million being taken out of the Fund for a Healthy Maine in the next biennium to help sustain this. We've had a number of good ideas brought before this body, however, the resources are being used to support Dirigo at a time when Dirigo isn't able to grow a customer base, isn't able to demonstrate a sustainable business plan, and to shift the funding source from A to B and say this will work, I dare say, I think we'll be back here, if not in the next session, in the 125th trying to fix this thing again.

A final comment I'd like to make on this too is I heard a presentation for members of the Dirigo staff recently, and they did a very fine job and they had a lot of financial information. But one thing that really was very concerning to me about it was the \$20 million, which is currently owed to the State of Maine, in their projections, they said would take five years to repay, and I found that very disconcerting, particularly knowing that that \$20 million was never advanced to them on an approved basis through this body. So I would encourage people to rethink continuing this and to think more of, if we've learned some things from Dirigo, let's use it but let's consider it for a different vehicle, a different program, and to vote the pending amendment down. Thank you.

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

Representative **PERRY**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I speak in favor of the this bill. Having been a part of the process of Dirigo from its inception, I do want to say that Dirigo has been working under constraints since the day it was instituted. It started out by an agreement for an SOP, with the very people who sued Dirigo for the purpose of the legality of the savings offset payment. As

much time has been spent in legal negotiations around the financing mechanisms for Dirigo, which has taken resources that certainly could have gone to insurance products for the very people we are trying to serve.

The other thing is it took time, employee time and time with working with the negotiations so that so that the opportunity and the ability to really look and evaluate and change the program on an ongoing basis has been hampered. As money has been slow coming in because of the legal workings that have gone on, there has not been a consistent steady stream and, as a result of that, has affected the ability for them to cover what they want. This bill is the next step. It offers an opportunity for there to be reliable, steady funding; it gives them then the time and the ability to look at their product, to really make the changes that they have been wanting to make, to take the time to put that together. This is the next step. This is an opportunity for us to do exactly what we set out to do in the beginning, and I ask that you support this.

The SPEAKER: The Chair recognizes the Representative from Bangor, Representative Goode.

Representative **GOODE**: Thank you, Madam Speaker. Madam Speaker, Men and Women of the House. I rise briefly, the major reason being I can't let some of these stories we received in our committee go untold. I know Representative Treat, the Representative from Hallowell, shared a couple of those, but one that particularly stood out for me was from a woman in Westbrook, and I'm going to read from her testimony.

I stayed in a physically abusive marriage for over 20 years, because I was afraid I could not survive financially on my own, due primarily to the high cost of medical care and my financial instability to get health insurance on my own. After finally taking a leap of faith to leave that marriage, I became clinically depressed and was hospitalized two times in a one year period because of the fear that I would not be able to make it on my own financially. When DirigoChoice became an option, I was able to afford adequate coverage, overcome my fears and recover from the depression. DirigoChoice made it possible for me to have peace of mind and survive financially. I was self empowered once more, I own a small business and I do career counseling and life coaching. I help women to empower themselves and one of the major problems that my clients face is staying in unhealthy workplaces or relationships because of the fear of losing their employer based health insurance. Too often, a woman's fear that they cannot survive financially keeps them tied to abusive relationships, both in personal relationships and in their careers.

We had dozens of pieces of testimony like this from small business owners written on stationary from small businesses, from people who can't afford their prescription drugs and were able to enter DirigoChoice, and it was terribly moving, and that's one of the major reasons why I'm supporting this.

Another major reason is this is going to be spun as a tax by some people, but it is pretty clear that Dirigo saves money by covering more people. Every year when the SOP has been determined, it's been initially determined in the \$80 million range. I think it's knocked down into the \$40 million range. This bill just switches the funding mechanism so we still get that \$40 million from a more safe and secure funding source.

Lastly, the other major thing I want to mention is that Dirigo is always talked about just as a health insurance program, but the Dirigo reform, it's just one third about insurance. It also does amazing work around cost and quality issues, and this continues the important work of the Maine Quality Forum and those other aspects of the Dirigo Health Agency. So I encourage everybody else to vote for the Majority Ought to Pass Report. Thank you.

The SPEAKER: The Chair recognizes the Representative from Augusta, Representative Crockett.

Representative **CROCKETT**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I stand in support of the pending motion. I support Dirigo because I believe it's the best we have until we can get a more comprehensive health system, either from the federal or from the state. I've heard from many of my constituents and they have told me that they feel fortunate to have health insurance now. One woman told me that, until Dirigo came along, she had not had any health insurance for ten years. I think the fact that it's saving us millions of dollars because people are able to go and get preventive care. They can go and see their primary care physician. They don't have to go to the emergency room. They can be diagnosed with something before it gets to the point where it's costing millions of dollars more. I think the problem we all know is the funding mechanism, and this funding that's proposed today is not going to cost any more for the insured, the insurer, the hospitals, anyone. It's going to cost the same. But my way of looking at it, it's going to cost us less because the one person that we're eliminating is the lawyer. Year after year, the state spends a million dollars going to the court system to defend what we all know is going to bring the funding for this, and now we have the funding mechanism in place. I ask you to please support Dirigo.

One more thing, I almost forgot. Last session, we were presented a packet that had 91 pages in it, front and back, of stories from people across this state, many in your districts, that had reasons why they wanted this insurance, the good things that it had done to help their families and their businesses—91 pages front and back. That was quite impressive, I felt. I ask you to support the pending motion. Thank you.

The SPEAKER: The Chair recognizes the Representative from Bangor, Representative Butterfield.

Representative **BUTTERFIELD**: Thank you, Madam Speaker. Madam Speaker, Men and Women of the House. I've just had distributed to your desks an article that appeared in the *Bangor Daily News* two days after the voters of this state repealed the beverage tax last year, and in it, a small business owner from Bangor, Peter Geaghan, who owns Geaghan's Pub says the following. Peter, by the way, insures his 10 employees through the DirigoChoice program, or at least he did before the repeal. He said this: *My concern is the fear of the unknown. Is the funding just going to dry up and be nothing? I'm finding shopping around that there are other plans out there, but the deductible is higher and the coverage really isn't as good.* He goes on to say at the end of that article: *I don't think that folks have my employee, the guy I look at every day; they don't have his best interest at heart. We treat our employees as best we can and it's an investment for us.* This, I think, is something that unfortunately really gets lost every time we talk about Dirigo here, is that this is not some failed entitlement program. This is an expansion of the health insurance market and an affordable way for small businesses. This is for Peter, folks. I guess I would just urge all of you as my colleagues to keep in mind the huge number of small businesses in Maine that rely on Dirigo and their employees who rely on Dirigo and certainly support the pending motion. Thank the huge number of small businesses in Maine that rely on Dirigo and their employees who rely on Dirigo and certainly support the pending motion. Thank you.

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

Representative **MORRISON**: Thank you, Madam Speaker. Good afternoon, Members of the House. I am on the Majority Report on this and I am supporting this motion, and the main reason why I supported it from the very beginning was from a business perspective. I ran a small business in Portland for many years, and if I had a payment structure like Dirigo had, I

would be out of business fast. My payment structure, as we call it in the business world, in a net 30 or net 60 to your purveyors. You have to pay your purveyors within 30 to 60 days. When I looked at the payment structure from Dirigo right now, it was horrible. I saw the gaps and the peaks and valleys, and I thought, wow, no wonder why they need help. So if nothing else, we need to help Dirigo stay strong and stay alive for that reason alone. I have all the confidence that the administrators of Dirigo will do what they say and restructure the program and make it better and competitive in the future. The key is, we've been talking throughout these debates and this Legislature, that we need a competitive market. Well Dirigo will be that market if we change this structure. I would encourage everyone to follow my light. Thank you.

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

Representative **PILON**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. My colleague from Kennebunk mentioned earlier something about there's money flowing into the program, there's new money, that we've corrected the funding mechanism. But he failed to mention that the program for new enrollees has been capped until 2010, so the program is not taking any new participants. This program is not an alternative for any new participants. So we're really not offering the people that want to get into the program, sorry, can't get in until 2010.

My colleague from Augusta mentioned that she has people that say that we really need this program. Well, we haven't offered them anything. The people in Maine don't have any alternative. What do they have? Anthem, individual market and MEGA Life, and we had a bill before us recently that perhaps would have given people the opportunity to go across state lines, but that didn't work, we can't do that. Another bill, perhaps to create a reinsurance risk-pool model, which was presented to us last session, no, can't do that, we don't want to open the markets up at all. So we really, here in the Legislature, have really not created any opportunities for our constituents. We've closed the market. There's nothing available. So we need this, we need this, but the enrollment has been closed until 2010. What are we going to do? I don't know. But again, going back to what I've said earlier, for the fiscal year '06, the cost of the program is exorbitant, just \$273 million.

Again, my friend and colleague from Calais mentioned that the funding mechanism will give time to create new products, and I didn't paraphrase her, so please accept my apology, but something to the effect that this will give us time to create new products and get us back on track. Well, quite frankly, since the inception of the program back, roughly about 2003, we've had an awful lot of time to try to find new products and try to get us back on line, but, as I believe, we've never had a true marketing program to go out into the marketplace and solicit the business, you need to solicit the business. You just simply can't say here's our new product, wait for the phone to ring. It doesn't work. Thank you.

The SPEAKER: The Chair recognizes the Representative from Waterville, Representative Beck.

Representative **BECK**: Thank you, Madam Speaker. Madam Speaker, Men and Women of the House. I have a feeling that many minds are made up about the pending motion. I wanted to briefly, however, address the simple substance of this bill and the pending motion. It's very easy, I think, to be on the Minority Report on this supplement. It's very easy to push the red button today and say, well Dirigo is not very popular and it has not met its goals, but the pending motion simply replaces the savings offset payment with a very simple, transparent, more reliable

funding mechanism as we await federal action and help the uninsured. I hope we keep that in mind and not stray too far in this debate and stay focused on the motion at hand. Thank you, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Newcastle, Representative McKane.

Representative **McKANE**: Thank you, Madam Speaker. I love the anecdotes we've heard today, and no one is arguing the 10,000 enrollees of Dirigo, soon to be 5,000, have not benefited from this program. There is no question that they have, and they appreciate it and they express their appreciation when it comes time to address the funding issues. All we're saying this time is there are much better ways to provide health insurance to these people than this convoluted system that we call Dirigo Health. Thank you, Madam Speaker.

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

Representative **PRIEST**: Thank you, Madam Speaker. Madam Speaker, Men and Women of the House. A few points. This program, Dirigo, has a number of parts to it. Obviously, one is insurance, another one is health reform and health delivery. On the ACHSD Committee, they are trying to look to control health care costs, which is a very important factor when we have health care costs rising twice the rate of inflation. But let me refer to what this bill does, because I'm not sure everybody has read the entire bill.

The first part of the bill straightens out the financing mechanism and that's very important, because in fact, when we talk about why haven't they marketed it, there's been a huge problem with this program being under legal attack for at least four to five years. The program has spent over a million dollars in defending itself and, if we don't straighten out the funding mechanism, that will continue. That's money which could go to health care costs and health care relief. But the second part of this bill is something which ought to be looked at. It says that the board of trustees shall develop more affordable products and procedures that could reach uninsured and underinsured residents of the state to reduce uncompensated care; shall use subsidy to maximize federal initiatives; shall determine the impact of asset tests in determining eligibility, consider offering a voucher-based program to provide health insurance benefits based upon the experience of the Dirigo voucher program; and redesign the DirigoChoice product or products. There is going to be some major work done by the board once their funding mechanism is straightened out, and that will come back to the Insurance Committee and we will certainly take a look at it, and I would expect that there would be a number of recommendations made to this body because of that. So there are two parts to this system: one, straighten out the funding, which is tremendously important; but two is to take a look at new ways of running the program, which may indeed include marketing, as Representative Pilon has said. So I think this is a good bill, I urge you to vote for it.

The SPEAKER: A roll call has been ordered. The pending question before the House is Acceptance of the Majority Ought to Pass as Amended Report. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 171

YEA - Adams, Ayotte, Beaudoin, Beck, Berry, Blodgett, Boland, Bolduc, Briggs, Bryant, Butterfield, Cain, Campbell, Casavant, Clark H, Cleary, Connor, Cornell du Houx, Crockett P, Dill, Dostie, Driscoll, Duchesne, Eaton, Eberle, Eves, Flemings, Gilbert, Goode, Harlow, Haskell, Hill, Hinck, Hogan, Hunt, Innes Walsh, Jones, Kaenrath, Kent, Kruger, Lajoie, Legg, Lovejoy, MacDonald, Magnan, Martin JR, Martin JL, Mazurek,

McCabe, Miller, Morrison, O'Brien, Pendleton, Peoples, Percy, Perry, Peterson, Pieh, Piotti, Priest, Rankin, Rotundo, Russell, Sanborn, Schatz, Shaw, Smith, Stevens, Stuckey, Sutherland, Theriault, Treat, Trinward, Tuttle, Van Wie, Wagner J, Wagner R, Watson, Webster, Welsh, Wheeler, Willette, Wright, Madam Speaker.

NAY - Austin, Beaudette, Beaulieu, Bickford, Browne W, Burns, Cebra, Chase, Clark T, Cohen, Cotta, Crafts, Cray, Crockett J, Curtis, Davis, Edgecomb, Finch, Fitts, Fletcher, Flood, Fossel, Gifford, Giles, Hamper, Hanley, Harvell, Hayes, Joy, Knapp, Knight, Langley, Lewin, McFadden, McKane, McLeod, Millett, Nass, Nelson, Nutting, Pilon, Pinkham, Plummer, Prescott, Richardson D, Richardson W, Rosen, Sarty, Saviello, Sirois, Strang Burgess, Sykes, Tardy, Thibodeau, Thomas, Tilton, Valentino, Weaver.

ABSENT - Blanchard, Carey, Celli, Cushing, Flaherty, Greeley, Johnson, Pratt, Robinson.

Yes, 84; No, 58; Absent, 9; Excused, 0.

84 having voted in the affirmative and 58 voted in the negative, with 9 being absent, and accordingly the Majority **Ought to Pass as Amended** Report was **ACCEPTED**.

The Bill was **READ ONCE**. **Committee Amendment "A" (H-490)** was **READ** by the Clerk and **ADOPTED**.

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

Under further suspension of the rules, the Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (H-490)** and sent for concurrence.

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

UNFINISHED BUSINESS

The following matters, 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-168)** - Committee on **INLAND FISHERIES AND WILDLIFE** on Bill "An Act To Amend Certain Provisions of Fish and Wildlife Laws"

(S.P. 319) (L.D. 811)

- In Senate, Unanimous **OUGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-168)**.

TABLED - May 21, 2009 (Till Later Today) by Representative WATSON of Bath.

PENDING - **ACCEPTANCE OF COMMITTEE REPORT**.

Subsequently, the Unanimous Committee Report was **ACCEPTED**.

The Bill was **READ ONCE**. **Committee Amendment "A" (S-168)** was **READ** by the Clerk and **ADOPTED**.

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

Under further suspension of the rules, the Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (S-168)** in concurrence.

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

SENATE DIVIDED REPORT - Majority (8) **Ought Not to Pass** - Minority (3) **Ought to Pass** - Committee on **INLAND FISHERIES AND WILDLIFE** on Bill "An Act To Provide Greater Access to ATVs by Lowering the Minimum Operating Age"

(S.P. 104) (L.D. 340)

- In Senate, Minority **OUGHT TO PASS** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED**.

TABLED - May 29, 2009 (Till Later Today) by Representative CLARK of Millinocket.

PENDING - Motion of same Representative to **ACCEPT** the Majority **OUGHT NOT TO PASS** Report.

Representative TARDY of Newport **REQUESTED** a roll call on the motion to **ACCEPT** the Majority **Ought Not to Pass** Report.

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 Mexico, Representative Briggs.

Representative **BRIGGS**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I rise to ask for your support to accept the Majority Ought Not to Pass Report. This bill would lower the minimum age that a person may operate an ATV unaccompanied by an adult from 16 years of age to 14 years of age. Current law requires a person between 10 and 16 years of age to successfully complete an ATV training course approved by the IFW department before operating an ATV. Reducing the age from 16 to 14 years of age for children to drive an ATV unaccompanied by an adult is dangerous.

My husband and I have a two-rider ATV. We have traveled many miles on a variety of different terrain. We have traveled on flat, dirt logging roads, and terrain that was so steep going up and/or coming down that I can't imagine a 14 or 15 year old teenager out there having to drive through this kind of terrain unexpectedly, alone, and without any support, guidance or assistance from a more experienced person. There are times when we least expect it, the dangers of the terrain ahead of us. It's not like driving on smooth terrain such as snow, or even paved road. You travel on sand, gravel, large rocks, through large puddles to which there are sometimes rocks that are hidden beneath the muddy waters unseen. Children don't grasp the concept of the dangers that unexpectedly can lie ahead. These are things that you learn along the way and through time and experience.

ATV's are a unique piece of equipment. They are not to be taken lightly. These machines are to be respected, not to be taken for granted. Children need the strong support, guidance, and many times assistance of adults to accompany them through the sometimes challenging terrain, this learning process.

Currently, a person under 16 years of age must attend the training program with that person's parent or guardian. The training program must include instruction on the safe operation of ATV's, the laws pertaining to ATVs, the effect of ATVs on the environment and ways to minimize that effect, courtesy to landowners and other recreationists and other materials as determined by the department. I can't imagine reducing the training to under the age of 14 years old.

According to the Secretary of State, to drive a vehicle, you can't take driver's education until your 15 years old; you must have 10 hours class time; 10 hours on the road; then 30 hours supervised practice before you can take the road test. And you can't take the road test until age 16.

According to the Office of Policy and Legal Analysis Report, opponents of this bill were the IF&W Department., ATV Maine, and Maine Farm Bureau Association. It was reported that