

## **Testimony for the Office of Affordable Healthcare annual hearing September 26, 2024**

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Since its inception in 2010, [Maine AllCare](#) has promoted the establishment of publicly-funded health care coverage for all Maine residents. We also refer to this as State-based Universal Health Care. My testimony this year is presented in a Q/A format, for the Office of Affordable Healthcare and for all who are interested in fair, equitable, affordable and comprehensive health care for everyone in Maine.

### **What is state-based universal health care?**

State-based universal health care, also referred to as “state single-payer”, is defined as a plan to achieve universal health care coverage for all residents in a state by combining financing for health care services into a single, state-administered payer. “State single-payer bills share many common elements: They all provided universal eligibility for state residents, and most also included expansive provider eligibility, rate-setting for health care services and prescription drugs, low or no cost sharing for patients, [and] comprehensive benefits...” [Health Affairs, 2019](#)

### **Why does Maine need universal health care?**

Our current healthcare “system” is complicated and inefficient, costs too much, and leaves many uninsured and/or unable to get the care they need. It provides inequitable care, and produces poor health outcomes. Once again, the annual [Commonwealth Fund Report](#) has ranked the United States health system LAST in health outcomes, access and equity, despite spending far more than the other 9 countries profiled. The conclusion: Conclusion: The U.S. continues to be in a class by itself in the underperformance of its health care sector. While the other nine countries differ in the details of their systems and in their performance on domains, unlike the U.S. they all have found a way to meet their residents’ most basic health care needs, **including universal coverage.**” (Emphasis mine.)

As the OAHC noted in its January 2024 report: As of 2020, the most recent data available, Maine had the 10th highest per capita health expenditures in the country. [Maine Office of Affordable Health Care Annual Report, January 2024.](#) In a [survey conducted by Consumers for Affordable Healthcare in December 2022](#), nearly 70% of Mainers said they believed just one major medical event or illness could bankrupt them. More than one in three skipped or delayed going to the doctor when they were sick due to costs. One in four cut pills in half, skipped doses of a medication, or delayed or did not fill a prescription due to cost. Nearly all Mainers surveyed (89%) believe it is highly important that everyone in the state has access to comprehensive health insurance.

### **Which is better, state-based or national universal healthcare?**

Maine AllCare believes every knowledgeable universal healthcare advocate would agree that a national publicly financed and privately delivered national program modeled on Medicare would be preferable. However, given the level of partisanship and deep philosophical divisions that

exist in Washington, and the level of influence of the medical-industrial complex, it seems likely that a proof of concept in one or more states will be necessary before success will be achieved nationally. In a federal system states can serve and have served as incubators for policies that address significant national issues - from the abolition of slavery to marriage equality. We believe that states, because of their size and sense of community, are excellent places to demonstrate the value and practicality of universal healthcare. In other words, Maine could lead the way with state-based universal healthcare.

### **Maine AllCare is active in both national and state healthcare reform efforts.**

With the help of our parent organization, [Physicians for a National Health Program](#), we strongly support the Jayapal-Sanders legislation for National Improved and Expanded Medicare for All. It's long past time to replace "Medicare for a Few" with Improved Medicare for All.

We are also working in collaboration with [Be A Hero](#), to level the playing field between Medicare Advantage and traditional Medicare. Redirecting overpayments to Medicare Advantage plans to traditional Medicare would go a long way toward providing the funding for an improved Medicare. Eliminating the deductibles and copays and adding covered services (vision, hearing, dental, etc) to traditional Medicare would give every single Medicare beneficiary the high-quality benefits they deserve, but without the networks, copays, and denials of private insurance that characterize many Medicare Advantage plans.

Maine AllCare has a [long history of advocacy](#) for state-based universal health care. Since 2011, Maine AllCare has been actively involved with [One Payer States](#), a national health care justice organization that envisions a path to universal health care through the states. Maine AllCare's Policy Committee is nearing completion of an updated state-based universal health care plan for Maine, the All Maine Health Program. Maine AllCare will be releasing our draft plan and an updated fiscal feasibility study later this year.

### **What is the All Maine Health Program?**

The All Maine Health Program (AMHP) is a draft proposal for a health care system that would ensure all Maine residents have easily accessible, affordable, comprehensive, and equitable health care, publicly funded and privately provided. Maine AllCare's Policy Committee developed the AMHP in 2024, after a review of literature on state-based universal health care plans and a review of universal health care bills previously proposed in twenty-two other states.

### **Is state-based single payer feasible for states with small populations?** In a word, YES.

When negotiating prices, the clout of small states would be less, but the relative simplicity of a smaller and likely more homogenous population would be an advantage. In Maine for example, with a relatively smaller risk pool, a [2019 fiscal feasibility study](#) showed that total health care spending could decrease by \$1.5 billion annually, with a state-level publicly-funded plan that would cover all Maine residents with no fee at the point of service.

### **How would states pay for state-based universal plans?**

Universal healthcare doesn't require new funds in addition to what we're paying now. Instead, we shift what we're paying in private insurance costs to predictable quarterly (or annual) taxes

or premiums. In addition, to support state funds, federal funding can be obtained following the granting of necessary Medicare and Medicaid waivers as stipulated under the Affordable Care Act.

We can pay to cover everyone, and save money when we eliminate waste in the current system. This waste is seen in high administrative costs, corporate profits, uncontrolled prices, lack of preventive care, delivery of unnecessary services and fraud. Studies show [30% of our current healthcare spending may be considered waste](#). Most insurance companies have high administrative overhead, whereas Government-run programs do not. This is demonstrated most simply by Medicare, where the overhead is 2-4%, in contrast to mean overhead costs (not including profits) of over 17% in private insurance companies.

In a universal system, costly denials and appeals from private insurance companies are eliminated. We'd no longer pay deductibles or exorbitant co-pays. There would be no out-of-network charges or medical bankruptcy. Cost savings are achieved through price negotiation, global budgets and reduction in administrative complexity.

For more information on the fiscal feasibility of Maine's and other states' single payer plans, see reports [HERE](#).

**How would the single-payer system handle Maine's health care challenges (e.g., addiction, rural hospital closures, pandemics, and shortages of mental health and primary care providers) differently from the way the present system does?** Problems like these would take priority, rather than profits or competitive advantage. Established lines of communication between the state and most providers would facilitate the response to public health crises.

**How would Mainers enrolled in federal programs be covered?**

Depending on provisions of the plan and waivers obtained, they would be enrolled in the state plan, or they could remain in the federal programs and receive supplemental benefits or subsidies. We envision that the All Maine Health Plan could function as supplemental plan for any gaps in Federal coverage, ending the need for Mainers to enroll in "Advantage" or "Medigap" supplemental plans.

**How would Mainers enrolled in workplace plans be covered?**

All residents of Maine would be covered by the All Maine Health Plan. Employees and employers would consider which options of health coverage to keep or use. We believe the appeal and motivations of the state plan would convince workers and employers to switch to it.

**Will state healthcare funding compete with other state programs, and will financing be unstable? How will states avoid deficits in their budgets?** State plans should (and all serious proposals do) include dedicated trust and reserve accounts to fund the healthcare system according to statutory guidelines. Reinsurance and provisions for federal assistance in times of financial crisis can also be included in plans.

**I am not from Maine. Is my state working on state-based universal healthcare?** There are now at least 19 states actively pursuing state-based, single-payer healthcare, involving hundreds of dedicated activists. [Visit the One Payer States webpage](#) to learn more.

**Is there more than one state pathway to universal healthcare?**

There are several pathways to universal healthcare, including but not limited to: expansion of Medicare; expansion of Medicaid; creation of additional “wraparound benefits” to improve or enhance existing systems and programs, and extend them to all; and tightly regulating commercial insurance paired with public plans, to cover every resident.

Advocates will find, as confirmed by many studies, that there is no pathway to comprehensive and affordable universal care without severely restricting the multi-payer private insurance system. When compared with other proposals, Maine AllCare and its national partner [One Payer States](#) believes that state-based single-payer plans, supported with federal SBUHCA waivers, would be the best and most certain pathway to universal healthcare.

**What is SBUHCA, the State-Based Universal Healthcare Act?**

If enacted, the State-Based Universal Health Care Act ([H.R. 6270](#), sponsored by Rep. Ro Khanna), will enable a state to set up a single publicly funded entity to pay providers for covered healthcare to state residents. SBUHCA will create a new federal waiver that will make it easier for states to obtain federal funding for state-based universal health care initiatives and minimize legal challenges to such initiatives. To receive a waiver, proposals/plans must be at least as comprehensive and affordable, with cost-sharing protections as strong as the federal program for which residents would otherwise be eligible. [Learn more about SBUHCA HERE.](#)

**Is the passage of SBUHCA required for states to proceed with universal healthcare plans?**

Federal legislation (such as the State-Based Universal Healthcare Act) would make waivers to receive federal funds for state universal health care plans much more straightforward and robust. SBUHCA would also reduce the likelihood of legal challenges. However, many state-based proponents, including for example, organizations in California, Oregon, Washington and New York, believe that their plans can be enacted using existing federal waivers

**Is a public option a realistic pathway to state-based universal healthcare?** Though the idea is appealing, this approach has several failings. First of all, real choice of providers and hospitals is only available in a universal system or plan. Secondly, if it were less expensive to enroll in the public option, then sicker people needing more health care services would tend to select it, ultimately making the public option more expensive to run. Thirdly, the cost savings of a truly universal system would not occur; rather than streamlining the healthcare system, the added option would complicate it, and provide little chance for provider and drug price negotiation. Fourth, employment-based coverage would continue, meaning those workers with it would continue to be “locked in” to their job while their employers would be “locked in” to responsibility for their care. Finally, a public option would do nothing to reduce the waste and profit-taking inherent in the multi-payer commercial health insurance system. While still possible, it's very unlikely that states will discover an affordable or realistic pathway to

universal healthcare without removing or minimizing the influence of private insurance.