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Maine Finds a Health Care Fix Elusive

By GARDINER HARRIS Published: November 10, 2009

BAR HARBOR, Me. — When his car repair shop's health insurance premiums doubled between 2000 and 2002, David White saw the problem as akin to a sputtering engine. So he got under the hood of the state's health system and tried to fix it.

Seven years later, Mr. White is on seven health advocacy and improvement boards, has helped devise the state's public insurance plan and has a library of health care books and research papers. He spent so much time on the issue that his business suffered. But he still has no health insurance for himself or his lone remaining mechanic, an experience that is emblematic of his state's.

Maine is the Charlie Brown of health care. The state's legislators have tried for decades to fix its system, but their efforts have always fallen short: health insurance premiums are still among the least affordable in the nation, health care spending per person is among the highest and hospital emergency rooms are among the most crowded. Indeed, many overhauls to the system have done little more than squeeze a balloon — solving one problem while worsening another.

But like the Peanuts character, the state keeps trying. Indeed, Senator Olympia J. Snowe, Maine's senior United States senator and so far one of only two Republicans in Congress to vote for an overhaul, spent two years in the late 1970s as chairwoman of the State Legislature's joint Health and Human Services Committee pushing small reform efforts. "That's where I garnered an enormous deference to the issue of health care and its complexities," Ms. Snowe said in an interview.

Maine's history is a cautionary tale for national health reform. The state could never figure out how to slow the spiraling increase in medical costs, hobbling its efforts to offer more people insurance coverage. Many on Capitol Hill have criticized national reform legislation for similarly doing little to tame costs.

To Ms. Snowe, Maine's past shows that change, while needed, should be incremental because mistakes are common. This is among the reasons she opposes an immediate public insurance option. "I mentioned to the president that people can't digest everything at once," she said in an interview.

To conservatives, Maine proves that government efforts to strictly regulate the nation's health insurance market are doomed. Many of the reform proposals circulating on Capitol Hill have already been tried in Maine.

"These reforms are very well-intentioned, but in reality they have yet to produce the promised results or even be financially sustainable," said Tarren R. Bragdon, chief executive of the Maine Heritage Policy Center, a conservative research organization in Portland.

To others, Maine's failures show why some reforms can be tackled only on a national level. Maine has

the nation's oldest population, its poor are among the sickest, and its median income ranks low. It has a dominant for-profit insurance carrier, Anthem Blue Cross and Blue Shield in Maine, which has roughly doubled premiums in the last five years and recently appealed in court to get even higher rates. Solving such problems is simply beyond Maine's means, these people say.

"We didn't have the money and we tried it anyway, and now we're the poster child for what a poor state can't do," said Peter Mills, a Republican state senator and candidate for governor who supports a national overhaul.

To be fair, Maine's reform efforts have had benefits. The state's Medicare beneficiaries get relatively high-quality and low-cost care, and the share of those who have no health insurance is lower than those of all but six other states.

But a state-sponsored insurance plan has been capped at fewer than 9,000 because of financing problems, and the most common choice of those buying new plans in the state requires them to spend at least \$15,000 a year before the insurer pays anything — leading many to avoid important medical visits.

Russ Sargent, 50, the owner of Yes Books in downtown Portland, has a shock of frizzy hair and a \$10,000 annual deductible. He pays doctors in cash and recently scheduled a colonoscopy for which he agreed to pay \$900 up-front. He is not confident that his insurer would pay if he ever got truly sick.

"I have friends in the same situation as me, and we all go through life with our fingers crossed hoping we never get sick," Mr. Sargent said. "If I got cancer or needed a kidney, I'd go bankrupt. We all would."

To help people like Mr. Sargent, the state is one of 17 that limit how much insurers can charge people for being older, and it does not allow exclusions for previous illnesses — both policies that are part of national reform proposals.

But one result is that premiums for younger people are relatively high. Although national proposals would require that nearly everyone get coverage or pay a penalty, Maine's Legislature rejected such a mandate so many young people do not or cannot buy insurance — further skewing the insured pool to sicker and older people and making premiums that much higher.

Tyler Stratton, 23, manages Otto Pizzeria in Portland and is a graduate student in public health at the University of New England. He has no health insurance and does not plan to buy any. When he gets sick or injured, his parents often pay the bill.

"It's always been a joke in my family that I'm only allowed one hospital visit a year," Mr. Stratton said. "The last good one was when I broke my back skiing."

Another change Maine has tried is to expand its eligibility rules for Medicaid, the government program for the poor. Nearly a quarter of the state's population participates in the poverty program. Proposals on Capitol Hill would require similar expansions across the country.

But Maine's poor are among the sickest in the nation, and its Medicaid benefits are relatively generous. Only Alaska spends more per adult Medicaid beneficiary. Part of the reason may be that, because premiums in the private insurance market are so high, many go without insurance for years before qualifying for Medicaid.

Tony Moore, 46, of Scarborough, got Medicaid for the first time in October. The last time Mr. Moore had health insurance was when his wife divorced him, “about the time O.J. took that ride in the white Bronco,” or 1994. He has “a shopping list” of medical complaints. “My feet, knees, hips and back are all shot to hell,” he said. “I’m looking forward to getting them fixed.”

To compensate for such expensive care, the state pays doctors and hospitals relatively skimpy fees for treating Medicaid patients. As a result, doctors are closing solo practices and joining hospitals, which then have the market power to jack up rates to private insurers in a common problem called cost-shifting.

Clinics for the poor — some affiliated with hospital networks — are thriving because they are federally supported. Maine now has 19 such clinics serving 200,000 people — a fifth of the state’s population. The largest of them is Penobscot Community Health Care in Bangor, which has three cheerful, green-roofed buildings on its main campus, 126 medical providers and last year served 45,000 patients.

“We’ve been bringing in between 60 and 100 new patients a week,” said the Rev. Robert T. Carlson, Penobscot’s president. “The growth has been phenomenal.”

After years of studying and suffering from these trends, Mr. White, the mechanic from Bar Harbor, said he has concluded that Maine’s last best hope is a national health care overhaul. With a red Alfa Romeo, a silver 1959 Mercedes convertible and four other foreign cars in bays behind him, Mr. White clenched his grease-covered hands and his bright blue eyes filled with tears as he discussed his own inability to get health insurance for his mechanic and himself.

“We’re better than this,” he said. “This isn’t about government. It’s about who we are as a people.”

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