

The Maine Heritage Policy Center Testimony to Oppose LD 1755

“An Act To Move Maine Toward Affordable Health Care for Everyone”

Senator Sanborn, Representative Tepler and distinguished members of the Committee on Health Coverage, Insurance and Financial Services, my name is Adam Crepeau and I am a policy analyst at The Maine Heritage Policy Center. Thank you for the opportunity to testify in opposition to LD 1755.

While the Maine Heritage Policy Center appreciates the motive behind this legislation to lower the cost of health insurance for Mainers, we believe this proposal would be disastrous. LD 1755 directs the Commissioner of the Department of Health and Human Services to submit a waiver to the federal government that would give all Mainers the ability to purchase coverage through the Medicaid program, otherwise known as MaineCare.

The premiums for Medicaid recipients that purchase their plan would likely be lower than what is offered privately, giving government-run healthcare an unfair advantage that would undercut the private health insurance market in Maine. The Maine Heritage Policy Center would prefer to see a private market that is less regulated and that incorporates complete price transparency. This would give individuals the opportunity to effectively shop for coverage and procedures by utilizing more competitive pricing.

This bill does not specify how the program will remain solvent aside from determining premium rates through an actuarial analysis. Individuals would be authorized to use their federal tax and cost-sharing credits to purchase coverage through MaineCare. This poses a problem because premiums would need to be high enough to ensure the program is solvent but low enough to compete with private insurers. The Maine Heritage Policy Center is concerned that the premiums will be set lower than the actual cost of the program to allow the buy-in plan to remain competitive with private insurers, resulting in taxpayers picking up the difference.

Not to mention, the state of Maine is currently experiencing a shortage of healthcare providers and the United States Department of Health and Human Services designates areas where these shortages occur. Specifically, there were 66 designated shortages for primary care health professionals, 74 designations for dental health professionals, and 51 designations for mental healthcare professionals as of 2019.¹ The influx of individuals to the Medicaid program would

¹https://ersrs.hrsa.gov/ReportServer?/HGDW_Reports/BCD_HPSA/BCD_HPSA_SCR50_Smry&rs:Format=PDF

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likely make the shortages more severe because Medicaid reimburses providers at a lower rate than private insurance and more people would likely have access to care, effectively increasing demand without a commensurate increase in supply. This would result in the accrual of waiting lists to see a provider or specialist.

Because The Maine Heritage Policy Center is opposed to this massive expansion of government healthcare services, we urge the committee to vote, "Ought Not to Pass" on LD 1755. Thank you.