

The Maine Heritage Policy Center Testimony Against LD 407

“An Act To Promote Universal Health Care, Including Dental, Vision and Hearing Care”

Senator Sanborn, Representative Tepler, and members of the Committee on Health Coverage, Insurance and Financial Services, my name is Jacob Posik and I serve as director of communications at The Maine Heritage Policy Center. Thank you for the opportunity to speak in opposition to LD 407.

The Maine Heritage Policy Center believes that establishing a single-payer government health program in the State of Maine would damage our economy, make our tax system significantly less competitive, and put our citizens' health care at risk.

The realities of single-payer programs never match their supporters' rosy rhetoric. In countries with single-payer programs, wait times for urgent treatment, access to life-saving pharmaceuticals, and outcomes for serious diseases, are generally significantly worse than in the U.S.¹

The costs of single-payer programs are also prohibitive. Several states have launched single-payer initiatives, only to turn back after the full budgetary and economic implications came to light. Perhaps the best-known example is Vermont, which tried to enact a similar single-payer program in 2014. After years of study, even prominent liberals, including Democratic Governor Peter Shumlin, rescinded their support when it became clear that the plan would nearly double the size of the state's budget in the first year alone.² The state would have had to increase the state personal income tax to 9.5 percent and introduce an 11.5 percent payroll tax.

Other state-based single payer initiatives have stalled for similar reasons. The Maryland Department of Legislative Affairs found that a single-payer program in Maryland would cost state taxpayers \$24 billion per year.³ To put that into perspective, Maryland's total budget is approximately \$41 billion.⁴ A 2018 analysis in Florida found that funding a single-payer

¹ <https://www.cnn.com/2017/09/25/opinions/single-payer-failure-opinion-atlas/index.html>

² <https://www.bostonglobe.com/business/2015/01/25/costs-derail-vermont-single-payer-health-plan/VTAEZFGpWvTen0QFahW0pO/story.html>

³ <https://www.heritage.org/health-care-reform/commentary/some-state-officials-want-adopt-bernie-style-health-care-heres-what>

⁴ https://ballotpedia.org/Maryland_state_budget_and_finances

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program would require an increase in the state's sales tax to 39 percent or the creation of a 37 percent income tax.⁵ The RAND Corporation found that adopting single-payer in New York would cost state taxpayers \$139 billion in 2022, requiring tax revenues to increase 156 percent over current projections.⁶

This bill, which provides no specifics on how to fund Healthy Maine, control health care costs, or improve quality, is irresponsible. If passed, it would lead to rationed care, worse outcomes, and exorbitant tax burdens on Mainers. I urge you to oppose it. Thank you.

⁵ <https://www.jamesmadison.org/wp-content/uploads/2018/10/Election-2018.pdf>

⁶ <https://www.rand.org/news/press/2018/08/01.html>