

**Testimony before the Joint Standing Committee on
Appropriations & Financial Affairs &
The Joint Standing Committee on Health and Human Services**

Re: LD 2173, Governor's Proposed Biennial Budget

**Kevin Lewis, Executive Director
Maine Primary Care Association
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Without a doubt, Maine's budget is under assault: economic downturn after economic downturn, cuts to federal funding expected due to CMS rule changes (e.g., Targeted Case Management), and all the while costs of services continue to climb. What you are going through as a Legislature is tough, unenviable work.

I ask you, however, to separate yourselves for a moment from all the budget lines and hundreds of pages of detail to consider the position of people in Maine living below the poverty line. For them, the choice between food and medicine, the transportation barrier to even getting to a health center or clinic, the inability to afford a referral to a specialist or get a lab result for an important recommended screening, all amount to an inability to secure their health as they struggle to survive yet another day.

Take the twenty-something homeless woman who is working two jobs, trying to get back into an apartment while living out of her car and friends' houses. Without MaineCare coverage, she cannot afford the external reference laboratory's fees for her pap smear or any other diagnostic service. Nor is she likely to come back to the primary care provider once she is faced with the hundreds of dollars of bills from the reference laboratory. When eventually diagnosed with full-blown metastatic cancer, she will have likely been admitted to the hospital through the emergency room, and these uninsured costs will necessarily be borne by the rest of population with private insurance coverage.

Take the fifty-something man with diabetes who lost his mill job years ago, now works as a janitor and cannot afford his insulin or blood pressure medication. As his health deteriorates, he will eventually be unable to continue working, will be deemed disabled, and at that point probably become eligible for SSI. He will have medical insurance coverage through Medicaid through SSI, but won't have a job, and so won't have any taxable wages, and may not have his feet either having lost them to amputation due to years of medical neglect. Instead of the costs of controlling his diabetes and hypertension in an outpatient setting, the state is now on the hook for thousands more dollars per month in additional services as a result of his disability.

The point of these stories is that it takes both coverage and access to health care services to produce a viable opportunity for all people – including the poor – to obtain the right care at the right time in the right place. Another point of these profiles is that we will be penny wise and pound foolish to make cuts to the only avenue for health care coverage available to some of the most vulnerable among us.

First there is the rise in uncompensated care – which is cost shifted to insurance premium payers – that will come about if this proposed budget cut is put in place. Second, we will not be fully utilizing our disproportionate share dollars. This waiver for the “childless adults” was first considered back at the start of this decade because we had a huge pool of disproportionate share dollars that went unspent. Cut this program and we will once again underutilize the federal resources available to us. Third, the work sanctioned by this Legislature to address high cost patients within Medicaid is only just taking shape. Schaller Anderson has 3,000 individuals enrolled in its care management model, including childless adults. To cut half of them out of this care management work by dropping them from enrollment, will undo any hope of cost containment while still assuring their access to health services.

The non-categorical waiver has already been cut back to place a curb on services and enrollment. To cut it again – this time in half – would have a negative effect on the most vulnerable in our communities. MPCA requests that the Legislature fully fund the state share of expenses allowed through our state’s federally approved waiver to cover non-categoricals.

- Taking full advantage of this approved waiver is a good investment that reduces the cost shift to other settings and to other payers.
- Stunting MaineCare’s ability to cover our poorest and most vulnerable populations will force those on waiting lists to utilize Maine’s hospital emergency departments after the onset of an otherwise avoidable health care crisis, or because that is the only health care access that they know.
- Ironically, this same population has a significant overlap that has been the focus of the MaineCare high-cost managed care pilot. The coverage of non-categoricals is relatively new and the pilot has only just begun. Inhibiting the coverage of non-categoricals will also reduce any possible success rate of the high-cost managed care efforts.
- This approach to cover all in poverty has been heralded by a couple of prominent researchers as one of four pillars to stabilize the Medicaid program nationwide. John Holahan (Director of the Health Policy Center, Urban Institute) and Alan Weil (Executive Director of the National Academy for State Health Policy) in a *Health Affairs* article titled “Toward Real Medicaid Reform,” propose a range of reform options for Medicaid, all of which would expand coverage to at least 100 percent of the federal poverty level for all adults regardless of family structure or health status. While our waiver doesn’t allow us practically to cover all adults below the poverty line, we shouldn’t back away from the opportunity to maximize our waiver. It’s in our best financial interests as well as humanitarian interests to do so.

I have heard the fortunate news that action is underway to consider some emergency home heating assistance for people living in poverty. Health care is another basic determinant in our quality of life, and so we ask you to also consider prioritizing this public spending on maintaining one of the best investments we can make in keeping our economy strong, communities vibrant and people whole. Thank you for your consideration and your hard work here in the Legislature on behalf of all Maine communities and people.