

TESTIMONY of DR.JAMES MAIER, MD
RE: LD 1397 (AN ACT TO ESTABLISH A SINGLE PAYER HEALTHCARE
SYSTEM TO BE EFFECTIVE IN 2017)
OFFERED MAY 3RD 2011 TO THE JOINT STANDING COMMITTEE ON
INSURANCE AND FINANCIAL SERVICES



James Maier MD Portland, ME

When the Governor began to ask business leaders here in Maine what troubled them the most, he heard a chorus of complaints about the high cost of providing health insurance for their employees. ([Read more...](#))

Sen. Whittemore, Rep. Reynolds and members of the IFS Committee,

I am Dr. James Maier, a psychiatrist practicing in Portland for over 30 years, and a strong supporter of LD 1397. I testified here a month ago in defense of mental health Parity, and I am pleased to again be speaking to you, this time about what I feel is the only truly viable solution to our unsustainably costly health care “death spiral.”

I would like to address just two aspects of this bill which I find most compelling: Uncoupling health insurance from employment, and shifting focus to prevention of illness.

Decoupling health insurance from employment is a major benefit of L.D. 1397.

When the Governor began to ask business leaders here in Maine what troubled them the most, he heard a chorus of complaints about the high cost of providing health insurance for their employees. LD 1397 would decouple health care from employment, a huge relief for business leaders who won’t have to tell their employees, “Sorry, but our business will go belly up unless we stop paying for your health care premiums!” And those who are laid off won’t have to suffer the “double whammy” of losing income and health insurance simultaneously.

A second area I feel passionate about is the prevention of mental illness and the enormous cost savings that this represents. L.D. 1397 will create the incentive to spend health care dollars where they make the most impact.

I work for a nationally prominent research and treatment program, P.I.E.R., whose goal is to prevent a first psychotic episode in vulnerable young people in our area of Southern

Maine. Unprecedentedly generous grants have allowed our successful work to be replicated in five other sites around the country. But now we're begging to stay alive and to continue our highly cost effective prevention work. The health economists tell us that arresting even one case of a potentially lifelong serious mental illness such as schizophrenia can save over \$1 million in direct costs of repeated hospitalizations and treatment, impaired capacity to work and pay taxes, shortened lifespan and greater risk of other medical illness, as well as the untold human cost in suffering.

It's harder to imagine any greater "bang for the buck" than this kind of preventive mental health program offers!

But here's the sad truth about paying for prevention! In a single-payer system like England's that cares for individuals from cradle to grave, it only makes sense to spend money at the front end to prevent far more costly morbidity and mortality years down the line. But the morally challenged reasoning of the leaders of the largest U.S. healthcare companies is based on the fact that, on average, Americans may be changing jobs within several years. More often than not, they will be switching to a different health care provider. Thus the costs of initially preventable serious illnesses are allowed to steadily worsen in future years, since now they are somebody else's problem! Why take on the burden of front end costs if your company probably won't be eventually paying out many times more for the high costs of "deferred maintenance?"

LD 1397 would offer many other benefits in addition to its emphasis on prevention, and on disconnection of health insurance from employment.

Other speakers have enumerated the list of benefits: uniform access to healthcare for every Maine resident; elimination of income based disparity in the healthcare status of residents; lowered administrative costs with uniformly simpler billing; and greater transparency and accountability.

Perhaps most important, any single-payer system Maine could develop will put an end to the incrementalist approach to attempting to repair our current system. Such "tinkering around the edges" will inevitably end up being "too little too late" as our country is overwhelmed by trying to pay for healthcare of an aging population.

The details of how LD 1397 would best be implemented I would leave to the other speakers this afternoon, and at work sessions. However I would be glad to take any questions and will try to address them together with the rest of what I've said this morning in my written testimony.

Respectfully submitted,

James H. Maier M.D.