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*Maine should keep lead on health-care reform*

*By Courtney Burke*

Final part of a two-part series

As this year's crop of presidential hopefuls crisscross the country, promising to end America's decades-long health-care crisis with the stroke of a pen, residents and elected officials of Maine would be wise to do as they always have done: follow their own lead when it comes to dealing with the growing problem of the uninsured.

Lack of federal action on health care is the norm in Washington, and even in the unlikely scenario that major reform takes place around the Beltway under a new administration, states still will continue to play a major role in financing and administering health care to those 65 years of age and under, and therefore not yet eligible for Medicare.

As the first state to try to address the issue of the uninsured by setting a laudable goal of universal coverage for all of its residents, Maine lawmakers deserve ample credit for leading the pack in working to solve a problem that has baffled health-care experts for a generation.

As would be expected, the path to universal coverage was not without bumps. The first challenge befalling reformers in Maine is the well-known (and to some, notorious) "savings offset payment."

The standard operating procedure appears to be one of those ideas that was ideal and clever on paper, but riddled with problems in practice. The payment is derived from a determination of the cost savings from the operation of the Dirigo Health program. But this inevitably leads to fights with private insurers, providers and bureaucratic infighting over the calculation. Whether the solution lies with a continuation of the payment, self-funding or a flat non-negotiable

assessment, reformers would be wise to choose a simpler formula for its funding.

And now, with other states having engaged in similar processes, it's time for Maine to learn from both the success and challenges faced by these other states — particularly its New England neighbors, Massachusetts and Vermont. Two primary lessons: find ways to work together and compromise, and to take a fresh look at how to go about — once again — playing the role of trailblazer in health reform.

Keeping these two basic lessons in mind, how will Maine go about reforming its health care system so that it offers quality patient care while not breaking the bank of state government?

- First and foremost, health-care costs must be addressed. With a majority of states experiencing negative budgetary circumstances due to a national economic downturn — legislators, including those in Maine, face an even more daunting challenge to balance a budget as prescribed by law.

Reducing the cost of providing health care should be the state's top priority because it is the only way the state can make any program sustainable. If the state doesn't cover the uninsured, it still will have to pay for care of the uninsured in its local hospitals and health centers.

- Any solution to health-care reform will require shared responsibility among the state, providers and health-care recipients. States with recently enacted health reforms have shared financial responsibility in a number of ways: Massachusetts is charging \$295 per employee for employers who don't pay; Vermont is charging \$395 per employee; people are required to pay sliding scale premiums; taxpayers are supporting pub-

lic programs. Maine must identify from a budgetary perspective what works best for the state's bottom line and then quickly enact legislation to push these reforms through.

- Cost control, quality and coverage cannot be mutually exclusive: In fact, all must be dealt with in tandem, lest the entire reform movement collapse.
- Slashing Medicaid is not necessarily the most fiscally sensible cost control measure. Rather, the state should consider how its actions affect how much federal money it receives. Expansion, rather than reduction, of the Medicaid program is less costly to state residents because for every dollar spent, Maine receives more than a dollar from the federal government. No other government program draws down that much out-of-state money — so it makes fiscal sense to explore other cost-cutting measures first.
- A variety of financing options — aside from the savings offset payment — should be seriously considered: A bump in the state's cigarette tax, expansions that yield a federal matching share, buy-in to public programs are among potential revenue sources.
- If the savings offset payment continues, there must be transparency in who is paying how

much — and how much of the cost is passed on to consumers versus absorbed by insurers and employers.

- Finally, other compromises could be considered, such as changing the benefit package to make it less expensive or potentially merging the small group and individual insurance markets.

Will the above reforms be difficult to achieve?

Absolutely. It will take political will, a shared sacrifice from individuals and patience from those who would ideally see universal health care come to pass immediately.

But Maine has led on this issue before; and it can lead again. Even if it were to pass just one of the reforms outlined above, that would be a giant step past waiting for national politicians to navigate the issue in the halls of Washington.

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