



Testimony by Philip Caper, M.D. on LD1397  
Before the Insurance and Financial Services Committee of the Maine Legislature  
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***Maine's Health Care System: The Solution is Hiding in Plain Sight ([Read more...](#))***

I am Dr. Philip Caper. I am here today to testify in favor of LD 1397 **-An Act To Establish a Single-payer Health Care System**. I am on the board of Maine AllCare, a non-partisan, non-profit group committed to educating policymakers and the Maine public about how to improve upon the Patient Protection and Affordable Care Act (PPACA). Our goal is to make health care in Maine universal, accessible and affordable for all.

I am a physician. Physicians have an obligation to provide medical care to anybody who needs it. We don't have the luxury of deciding who is worthy of medical care and who isn't. Most physicians are interested in a health care system that facilitates our ability to do our job. Our current system actually gets in the way.

We in the United States have been relying on the market rather than regulation to manage our health care system for thirty years. We are unique in the world in relying so heavily on market forces for health care. That experiment has failed and has led to the present state of health care in our country. That state is not very pretty.

We are experiencing out-of-control costs even though we already spend almost twice as much as any other country in the world. These costs are the leading cause of bankruptcy of individuals, three-quarters of them having health insurance that proves to be inadequate when they have to use it. Our high health care costs are a huge drag on the productivity and competitiveness of businesses, and threaten the fiscal solvency of the federal and many state governments.

We continue to hear about well over 50 million Americans who are un- and underinsured, and the number just keeps growing larger. Recent research has shown that 45,000 Americans a year die from inadequate health insurance.

Our primary care workforce is disappearing. Medical students are more likely to choose a specialty that pays more with fewer hassles. Adequate primary care capacity has been shown to be an important key to control of health care costs in many other countries.

Despite the widespread belief that we have “the best healthcare system in the world,” we actually produce care of uneven quality and mediocre outcomes as compared to other developed countries. The United States is also losing the race for improvements in life expectancy. We now rank an abysmal 27<sup>th</sup> in the world.

What we are finally coming to understand is that market forces don't work in healthcare as they do in many other areas. In order to function, markets require purchasers to have good information about both price and quality. There is a lack of information and transparency in medical care that cannot be fixed by simply publishing statistics.

In addition to informed decision-making, markets require the ability to choose freely. Many decisions about medical procedures are made under stressful circumstances where even if patients or their families are technically free to “shop around,” in reality they are in no position to question their doctor's judgment or advice.

Since none of us can know with any certainty what our future health care needs are going to be it is impossible to shop for the “best” insurance plan.

And perhaps most fundamentally, health care is so expensive that it is simply unaffordable for a growing number of Mainers.

If there is one thing the experience of the past thirty years should teach us, it is that the market alone has not and cannot work in health care.

To stay on the current path or to increase competition among health insurers – including the sale of policies across state lines and a reduction in the regulation of insurance – can only lead to a race to the bottom, resulting in skimpy policies, cherry-picking, denial of claims and erosion of consumer protections.

Although it may sound good, in health insurance more choice is not necessarily better. One thing my experience has taught me is that while most people value choice in selecting their health care providers, they are indifferent to choice among insurance companies. I have never heard a Medicare beneficiary complain that he or she is unable to choose a private insurance company for basic coverage. Medicare has taught us that choice of insurance companies is not necessary to have choice of medical providers.

The only proven solution for expanding coverage to everyone while reducing costs is a single payer or single payer-like system. Such systems are currently functioning well in Switzerland, Germany, Britain, Canada, Australia, New Zealand, Taiwan and many other countries.

The previous legislature heard testimony from Professor William Hsiao, an internationally recognized and respected expert on healthcare around the world, and primary architect of the successful transition of Taiwan from a system very much like ours to a single payer system. By moving to a single-payer system, he predicted, Mainers could save 10% of total health care spending or **\$1 billion** in the first year alone. Single payer would also reduce the rate of health care inflation permanently by 2% every year into the future. This is not speculation, but is based on the demonstrated performance in many other countries including Taiwan. (His testimony can be viewed on the Maine AllCare website <http://www.maineallcare.org/>).

Controlling underlying medical costs is essential. Experience in many parts of the world has taught us that expansion of coverage and effective cost control are two sides of the same coin. Evidence from throughout the world teaches us that this is possible only through a single-payer (or Medicare-for-All) type system.

A single payer healthcare system, such as put forth in this bill is not just the hope of a small band of ideologues. A Medicare-for-all type program is favored by a majority of Maine physicians according to a 2008 poll sponsored by the Maine Medical Association. I can guarantee you that number would be higher today.

Vermont is leading the way in New England. A single payer system has passed both houses of the legislature. Vermont Governor Shumlin will most likely be signing that legislation during the next few weeks. He believes that relieving businesses of the albatross of health care costs now hanging around their necks,

will make Vermont one of the most business-friendly states in America. I think it could do the same for Maine.

If by creating a single-payer (or Improved Medicare for All) system Maine were able to come anywhere near achieving the health system performance predicted by the experts, enactment of this bill could be the best thing you could do to improve our state's business climate.

The solution is hiding in plain sight! I urge you to vote "ought to pass" on LD1397.