



# Maine AllCare

Dedicated to promoting universal, high quality  
and affordable health care for the people of Maine

## **TESTIMONY by Philip Caper, M.D. and Alice Knapp, Esq.**

Joint Select Committee on Health Reform

State House, Augusta, Maine

October 19, 2010 11:00 AM

**I am Dr. Philip Caper.** I am accompanied by Alice Knapp. I have spent my career trying to improve the health care system that serves the American people. We are here today representing Maine AllCare. Maine AllCare is dedicated to promoting universal, high quality and affordable health care for the people of Maine.

The recently enacted federal Affordable Care Act is a first step toward reforming the health care system in the United States. It is a step toward health care as a right of all Americans, and it makes tangible improvements in the existing system for many of us. However, it builds on a broken, unnecessarily expensive system and falls short of its ultimate goals. It will not achieve universal access to health care, nor is it likely to control spiraling medical costs, which are an unsustainable burden on government, businesses, families, and individuals.

**I am Alice Knapp.** The Affordable Care Act leaves over 100,000 of Maine's citizens without access to affordable, quality health care. It provides no tangible relief to sole proprietors, individuals and families with incomes greater than 400% of the federal poverty level. Putting this into numbers, consider that 400% of the federal poverty level for an individual is \$43,320. At that income level, if you are over 39 years of age, your choice of health plans in Maine's individual market with a premium representing less than 10% of your gross income is limited to Anthem's \$10,000 or higher annual deductible plans. My monthly Dirigo Choice premium of \$643 for the \$2,500 deductible plan would represent 18% of your income.

For everyone else in Maine who may receive some modest relief under the Affordable Care Act, employment status and wealth will still play a large role in determining access. Multiple health care plans will remain in effect with varying premiums and disparate benefit packages. There will be at least 4 tiers of coverage. This is fundamentally unfair, and this unfairness holds serious health and financial consequences for those left out by the new law, and who face serious illness.

Many of the problems that Ms. Knapp has described have been solved in most other advanced countries. Taiwan is one of them. We are honored to have with us today **Professor William Hsiao**. I first met Professor Hsiao when we served together on the faculty of Harvard University many years ago. He is considered one of the world's foremost experts on health care economics. He is the principal architect of the universal health care system adopted by the government of Taiwan in 1995. He has recently been commissioned by the state of Vermont to recommend changes in their health care system to help address issues left unaddressed by the Affordable Care Act.