

# MaineHealth

Testimony of Mark Biscone  
CEO of Waldo County General Hospital on behalf of MaineHealth  
In Support of LD 1578 "An Act to Increase Health Security by Expanding  
Federally Funded Health Care for Maine People"  
January 15, 2014

Senator Craven, Representative Farnsworth and distinguished members of the Joint Standing Committee on Health and Human Services, I am Mark Biscone, CEO of Waldo County General Hospital in Belfast, and I am here today representing both my own hospital and the members of the MaineHealth system in support of LD 1578, "An Act to Increase Health Security by Expanding Federally Funded Health Care for Maine People."

I would note that the testimony below reflects much of the same testimony that MaineHealth provided at the public hearing in 2013 in support of LD 1006, "An Act to Increase Access to Health Coverage and Qualify Maine for Federal Funding." The issues have not changed in nine months, so MaineHealth's previous testimony remains relevant.

As Maine's largest healthcare system, MaineHealth's mission is "Working together so our communities are the healthiest in America." A critical component of promoting healthy communities is ensuring that residents have affordable access to high quality health care. MaineHealth's members take our mission seriously, and all members provide full access to all health care services, regardless of a patient's ability to pay. In spite of our policies to support access, we find that uninsured patients do not obtain recommended preventive care and they delay accessing necessary diagnostic and treatment services more often than those who have third-party coverage. This scenario can ultimately result in a higher level of complexity and more costly treatment for conditions that could otherwise have been prevented or addressed much earlier.

The Patient Protection and Affordable Care Act takes important steps towards providing access to affordable health care coverage to people who have low and moderate incomes. The PPACA does this through several steps: it provides states with incentives to provide Medicaid coverage to all individuals who fall below 138% of the Federal Poverty Level. It provides

individuals who are above 138% but below 400% of the Federal Poverty Level and who do not have access to affordable coverage through an employer with tax credits to subsidize the cost of coverage purchased through Exchange. Finally, the PPACA requires large employers to provide affordable coverage for their employees or be subject to fees that subsidize the tax credits.

This bill would authorize the changes to Medicaid eligibility that are necessary to conform to the PPACA. We support these changes for two key reasons:

It is estimated that these changes would provide access to third-party coverage for approximately 70,000 uninsured Mainers, thus taking important steps towards meeting our mission of supporting healthy communities;

The PPACA includes substantial reductions to hospital payments, some of which are intended to be offset by reductions to charity care provided by hospitals. **By 2019, MaineHealth's member and affiliate hospitals will have contributed \$323,000,000 in reduced Medicare payments to support the PPACA.** Thus, it is important to MaineHealth's hospitals that the State takes advantage of an opportunity to offset these reductions by expanding access to Medicaid for those who otherwise do not have access to affordable coverage. **Continuing to provide care to the individuals with no expectation of payment can have only two results – the closure of hospital services or higher prices charged to patients with private health insurance. We respectfully submit that neither of these alternatives is in the public's interest.**

It is noteworthy that conformity with PPACA Medicaid eligibility thresholds will expand coverage to some Maine people, but it also provides lower thresholds than were maintained in Maine for several Medicaid-eligible populations until last year. MaineHealth is comfortable that the threshold of 138% of the poverty level for Medicaid eligibility combined with the sliding scale coverage provided through the Exchange will provide affordable access to coverage for Maine people who have low and moderate incomes.

Specifically, my hospital, Waldo County General, has maintained a charitable care threshold of 175 percent of the federal poverty level; 25 percent higher than what is required by Maine law. In the past 6 years

WCGH has seen bad debt and charitable care increase from \$2.4 million in 2007 to \$10.5 million in 2013. As more MaineCare recipients lose coverage, WCGH will no longer be able to sustain this higher threshold.

In addition, WCGH started the CarePartners program in 2009. 567 individuals have been assisted by this program with their healthcare needs and over 200 have enrolled in this program. My hospital has donated \$1.4 million to this program and over \$700,000 of free medications via the Prescription Assistance Program have been provided to patients. This comprehensive program has resulted in significant reductions in hospital admissions, inpatient length of stays and ED visits. However, since the end of 2013 the CarePartners program has received 25 calls per week by residents who have lost their MaineCare coverage or no longer have coverage for their medications. Again, this program will not be able to be sustained if affordable healthcare coverage is denied to our lowest income Mainers.

Finally, this past year, Waldo County General Hospital has established a dental clinic for low income adults and for the past 4 years has funded the "Let's Go 5-2-1-0" program to fight childhood obesity. My hospital has continued funding many community health programs including working with the Department of Health and Human Services to reduce the utilization of the top 5 percent most expensive patients in the MaineCare program who consume more than half of the Medicaid budget. If MaineCare is not expanded to provide coverage to low-income uninsured Mainers, many of these community health programs and efforts will not be sustained in the future.

It is MaineHealth's expectation that this law will provide affordable coverage to a greater number of our most vulnerable patients. We are supportive of MaineCare's recent initiatives to support payment reform and delivery system redesign through Patient Centered Medical Homes, Health Homes Stages A and B and the MaineCare Accountable Communities shared savings program. These initiatives are building a solid foundation to improve the value of health care for MaineCare enrollees. This is a direction that will ultimately support healthier patients, healthier communities and an improved economy for Maine.

Thank you for the opportunity to weigh in on this important legislation, and I would be happy to answer questions.