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## **Maine's gubernatorial candidates present their positions on health care reform**

**Jonathan Carter, Susan Collins, Angus King**

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*Few issues have dominated the public policy agenda in the last decade as health care reform has in 1994. Although health care reform is stalled in Congress at this writing, it is not an issue that will exit the public stage quickly or quietly. Maine faces many of the problems that have spurred the national health care debate. The state has made some attempts to address these through public policy. But larger health care issues remain unresolved and the next governor will most certainly play a major role in addressing those issues.*

*Maine Policy Review invited the four major candidates seeking to become the state's next chief executive to present their views on health care reform for publication in this issue. Three of the four candidates -- Jonathan Carter, Susan Collins and Angus King -- responded to that invitation. Their statements on health care reform are presented below.*

### **Jonathan Carter, Independent candidate for governor**

America the land of the free, the home of the brave, the voice of freedom, you have failed us when it comes to providing accessible, affordable, and quality health care. Health care is an inalienable right. And yet, in this country one million families are denied care each year because they can not afford to pay, one in four put off medical treatment because of financial barriers, forty percent of our children ages 1 to 4 have not received a full series of vaccinations, millions of women are not screened for breast and cervical cancer, one in five women has not had a pap smear in five years, and many of our elderly have to choose between food and heat or medical insurance and prescriptions. These are but a few of the sobering facts about our health care system that discriminates against race, age, gender, and those unable to pay.

#### **Why we don't have national health care**

In this country the health care costs are out of control. The United States has the most expensive health care delivery system in the world. We spend fifty percent more per capita than Canada, two hundred percent more than Japan, and five hundred percent more than the United Kingdom, and yet, the United States ranks 21st in child mortality, 22nd in infant mortality, and 12th in life expectancy. We clearly are paying more for a lower quality of care and access that is rationed by ability to pay. We need not accept reduced accessibility and lower quality of care.

It is reasonable to ask why we are the only western country that does not have a national health care plan. The answer is simple -- our political system has failed us. The politicians, since the time of Harry Truman, have been co-opted by the monied individuals and corporate special

interests that are reaping huge profits from the health industry. It is collusion. Our government is once again taking care of big business at the expense of the citizens. The health and insurance industries are making campaign contributions at the rate of \$1 million a month and are spending roughly \$2 million a month on advertising in order to derail substantive health reform on the national level.

### **A single-payer solution**

The cure for the health care crisis is to elect individuals that will not waiver in their support for a "Single Payer Universal Health Care System." A single-payer system relies on a single source of payment for all medical services. Such a system would be administered by a non-profit, publicly accountable agency. Basic services would be provided locally with community support and participation. This system would provide universal access with no financial barriers to care -- no deductibles, no cost sharing, no co-payments, and no exclusions for previously existing conditions. A single-payer system would emphasize preventive care -- such as prenatal screening, education and nutrition, substance abuse counseling, and vaccination programs to name a few. A system based on preventive medicine would save billions of dollars by reducing the incidence of illness and mitigating the high costs of treating advanced stages of disease. The fact is that people who go to the doctor regularly are a lot healthier.

On the national level the McDermott/Wellstone Bill is the only single-payer system being considered. However, the Clinton Plan (managed care in which the health care organization is both provider and insurer) as presently designed (June 1994) does include a single payer option for states. Many experts now believe that Congress will remove this option.

A majority of the Ways and Means Committee members have already signed a letter supporting an amendment which would allow multi-state employers to be exempt from any state's single-payer system. In spite of the fact that the Congressional Budget Office has stated flatly that of all the health plans presently before Congress the single-payer McDermott/Wellstone is by far the most cost effective, it is not being widely supported. The health and insurance lobbyists are squashing this bill because it is the only health proposal on Capital Hill that completely removes the insurance companies from the health delivery system. It must be understood that one-third of our national health bill goes into wasted paper work, administration, high executive salaries, marketing costs, and large profit margins for the insurance companies and other health-related industries. The Clinton managed care proposal is supposed to control costs by the oversight of health maintenance organizations (HMOs). These HMOs are nothing more than private insurance companies which act as the insurer and provider. This is why the Clinton managed health care plan is not cost effective and will add \$45 billion a year to our national health bill -- a health and insurance industry dream!

### **Going it alone**

Since the prospects for a federal single-payer system are bleak, it is apparent that Maine must go it alone. Let there be no mistake that on the state level it will also be necessary to fight the same special interests. Maine's situation is but a microcosm of the national crisis. In Maine over 150,000 adults and their children do not have health insurance. In addition, 200,000 have

inadequate coverage. It is clear that a single-payer model would be the most intelligent and cost effective way to go. As Governor, I will vigorously push for such a plan. In the 116th Legislature the McCormick-Rydell Bill (LD 1285), although not totally a single-payer system, was introduced, but withdrawn when it became apparent that even if it did pass, the Governor would veto it. Instead, a Maine Health Care Reform Commission was established. This commission has been charged with the task of creating alternative health care proposals for consideration by the 117th Legislature. It is mandated that these proposals must provide access to health care for all Maine citizens by July 1, 1997. At this point, I am convinced that the single-payer system will emerge out of this commission as the only viable option for the state of Maine. Failing a legislative solution, I will strongly support a single-payer referendum question to be put to the voters in 1996.

### **The benefits of a single-payer system**

*What would a single-payer system mean to Maine citizens?*

1. It would provide universal coverage. It would mean that low income supports like the Maine Health Program (which was almost abandoned this year) would no longer be needed. All Maine citizens regardless of wealth will have access to quality health care and total choice of services, including alternative holistic approaches.
2. The Medicaid and Medicare programs would be eliminated since all services including long-term care would be covered under the single payer system. The federal funds would be included in a medical trust account administered by a Maine Health Authority. This Authority would be a private publicly accountable agency set up to oversee the financial side of the health care delivery system.
3. This system will save Maine people at least \$500 million per year through reduced paper work, cost containment decisions, and reduced administration. Greater savings will be realized by the emphasis of preventive care and community-based home care.
4. This system will allow Maine workers to change jobs with out fear of losing health coverage. It will allow many low income women on AFDC to move into the job market because they will not lose health coverage for their families.
5. Worker's Compensation cost will come down by as much as forty percent. Lower comp costs will help small businesses and stimulate the creation of jobs. In many ways a single-payer system should be viewed as a jobs package since it will make us more competitive due to lower business fixed costs.

### **Who will pay?**

The question has to be asked, "how is this going to be paid for?" There is no free lunch. A progressive medical tax as well as taxes on health threatening consumables such as alcohol and tobacco will need to be levied. The good news is that on average the taxes being collected will be

less than current out of pocket expenses. It has been estimated that seventy-five percent of the people will pay less than they are currently paying for health coverage.

In trying to deal with all the complexities of our current health care system, it is clear that we need to start from scratch. The establishment of the Single Payer System for Maine makes tremendous sense. It will not only provide the highest quality of care to all citizens, but it will save money, and at the same time stimulate job creation. It is time for us to stop talking and act. As Governor, the establishment of a Single Payer Universal Health Care System will be a top priority.



*Jonathan Carter is running as an Independent for Governor. A member of the Green Party, Carter sought election to the Second District congressional seat in 1992.*

## **Susan Collins, Republican candidate for governor**

With health care reform in the daily headlines of both national and regional newspapers, almost every American, and every Mainer, has been faced with a barrage of factoids, competing proposals, and conflicting views of how best to fix the health care system. As a candidate in Maine's gubernatorial election, my concerns are most directly focused on health care as it affects the state. When, and if, a national health care bill is passed, federal mandates will have an effect on how health care providers in Maine do business. But given all of the political uncertainties in Washington, making an accurate prediction about that effect is a bit harder than trying to hit a moving target.

### **The major issues of health care reform**

While conventional wisdom suggests that Washington will be unable to accomplish much more for health care coverage than the State of Maine already has -- guaranteed issue, guaranteed renewal, protection from refusal on the basis of pre-existing conditions, and portability -- there are issues down the road that need to be addressed regardless of any federal plan. Among these issues are universal coverage, managed care concepts, long-term care, and our own system of hospital regulation. These must be clarified and stated in terms allowing flexibility for whatever federal mandates come into being.

Legislation introduced in Congress on behalf of the Clinton Administration proposes using an "employer mandate" to reach universal coverage. Under this proposal, all businesses would be required to pay as much as 80 percent of their employees' health care costs.

While I support the goal of universal coverage, I am concerned that such a mandate is the equivalent of a tax on jobs -- a dangerous thing to do in our present economy. This requirement would be particularly burdensome for the small businesses with fewer than 100 workers, which accounts for the vast majority of employers in Maine. A survey by the Maine Merchant and Restaurants Association found that 19 percent of that organization's members predicted that they would have to close if this proposal were enacted. Thirty-seven percent would have to reduce their workforce, 24 percent would have to reduce other benefits, and 51 percent said that an employer mandate would force them to curtail hiring. As history has illustrated, often in painful terms, large-scale unemployment is an unhealthy condition in more ways than one.

Much of the recent focus on coverage has obscured concerns about health care costs. Before we come to providing universal coverage, we must reduce health care costs. The problem is, we want not only cheaper care, but better care, creating a seemingly irreconcilable conflict between care and cost. The real challenge of health care reform, then, is to find a way to control costs without sacrificing quality. Market-based solutions I strongly believe that our health care reform efforts must rely on competition rather than government regulation to control costs, to expand choice, and to ensure that everyone has access to the health care they need. Examples of such a market-based proposal would include:

- Voluntary purchasing cooperatives to give individuals and small businesses greater buying power and choice between plans;
- Encouragement of managed care to squeeze inefficiencies out of the system and to control costs;
- Reforms to make the health care system more efficient and to reduce the administrative costs and paperwork that add, often extraneously, to the cost of the overall system;
- Malpractice reforms to combat fraud and abuse;
- Incentives -- not quotas or limits -- to increase the number of primary care providers and to increase access to care in underserved rural areas; and,
- Greater emphasis on primary and preventative care. We spend millions of dollars to diagnose and fix problems once they occur, but scrimp on the care that would have prevented those problems from occurring in the first place.

### **National health care reform...**

There are several ways in which Maine can benefit from reforms at the federal level, as the movement towards universal coverage illustrates. The Maine Health Program (MHP), for instance, has encountered the same difficulties experienced in other states. Established before the recession, when public dollars were less stretched, MHP undertook the mission of expanding public access to health care services. Unfortunately, since that time, Maine has met with the same lack of success in this regard as Vermont, Minnesota, and Washington. Vermont and Minnesota have continually postponed enacting more expansive health care policy, and although Washington has passed an extensive law, implementation has proved impossible so far. States cannot follow this route alone.

### **...that is flexible**

One size does not fit all. My hometown of Caribou has little in common with Minneapolis (other than cold winters), and absolutely nothing in common with Los Angeles or Dallas. National health care reform efforts should allow sufficient flexibility for Maine to adapt the federal program to suit our needs. One such need is seen in long-term care, which often presents a catastrophic expense for our state's elderly.

Currently, Medicaid, initially intended to cover the health care costs of welfare families, is the "insurer of last resort" for Maine's long-term care needs. With our aging population, the increasing costs associated with long-term care (up to \$30,000 a year for nursing home care) have placed enormous strains on our state Medicaid budget and have inhibited Maine's ability to provide for other health care needs of our low-income citizens. With our present budget constraints, we simply cannot afford to create a massive, non-means-tested entitlement program for long-term care. Not only would this be fiscally irresponsible, but it would impede the development of a private, long-term care insurance market and discourage individuals who are financially able to plan and to invest for their long-term care needs.

### **What should be done**

There are, however, several steps that we can and should take to provide relief for families facing these exorbitant costs, both now and in the future. For example:

- We can improve the existing Medicaid “safety net” to better protect low-income individuals and their families against the catastrophic expenses of long-term care;
- With less than three percent of our nation’s elderly currently covered under long-term care insurance, we can provide tax and other incentives for individuals to purchase this coverage. Encouraging the development of a strong, private long-term insurance market will ease the financial burdens for both the federal and state government in the years to come; and,
- Long-term care financing reforms should create a more balanced delivery system. Far too often, elderly or disabled individuals are forced to enter nursing homes prematurely simply because this is the only care covered under Medicaid.

### **Designing a continuum of care**

One of the major deficiencies of our current system is this “institutional” bias, and the absence of a complete continuum of coordinated, long-term and acute care services. This continuum of care should be designed to meet people’s needs over time and should ensure that quality care is available in the most appropriate setting, whether it is in the home, in the community, or in an institution.

Finally, Maine’s experience with hospital regulation must be taken into account when discussing the issue of health care reforms. Since the birth of the Maine Health Care Finance Commission eleven years ago, every state but New York and Maryland has repealed its own, similar regulatory experiment. As with the Department of Human Services Certificate of Need program, the market forces that direct hospitals seem to be ahead of the state regulatory agency’s efforts to place caps on costs. Market incentives are driving hospitals toward more competitive rates, as well as greater degrees of cooperation when it comes to sharing resources.

As governor, I will endeavor to make the state’s interaction with the health care industry more flexible, more responsive, and more in tune with both the market forces governing insurance providers and hospitals, as well as the demand of Maine citizens for better, cheaper health care.



*Susan Collins is a former Commissioner of Professional and Financial Regulation for Maine and a former Regional Director of the Small Business Administration .*

## **Angus King, Independent candidate for governor**

There is no more difficult public policy issue confronting this country than health care reform. In Maine, health care is the third largest employment sector (after tourism and government itself); Maine Medical Center is the second largest employer in Portland; and our State's total annual health care costs are more than twice the entire State budget.

A major priority of the next governor must be to work with the legislature to develop a coherent set of health care policies for Maine, policies that maximize access while minimizing the cost of quality care. In formulating these new policies, it is essential that the governor take a leadership role to ensure that Maine's relationship to national health care reform is consistent with the best interests of Maine people, regardless of whether they live in urban or rural areas. The task now is to keep abreast of the changing health care policy reform debate in Washington and be prepared to incorporate those changes in ways that permit maximum use of federal assistance and address the pressing health concerns of a rural state. Here are my basic views on the present system and the options for reform in Maine.

### **The three components of health care: quality, access, and cost**

Everyone agrees that the goal of any health care system must be to maintain the quality and provide access to health care, while controlling costs. These three components are analogous to a three legged stool: Remove any one and the system collapses. The first component is *quality*. Maintaining the high level of quality in health care is essential in the discussion of health care reform. Most Americans associate the quality of health care with their ability to select their own health care provider and having enough time with that provider to have their health needs and questions addressed. It is important to recognize, however, that quality, like most other services or goods, has a relationship to cost.

The second component is *access*. The fact is that, at any one time, about fifteen percent of our population has no health insurance coverage at all and lives in constant danger of economic devastation as a result of some kind of health emergency. In addition, because Maine is largely a rural state, access to quality health care can be difficult even for those persons with adequate insurance coverage. Thus, our health care policies must strive to expand access to care for all citizens, regardless of their geographic location, and recognize that this is not purely a function of money.

The third component is *cost*. Currently in the United States, we are spending more than fifteen percent of our gross national product on health care, about twice what is spent in any other nation in the world. In Maine, this means that the annual per capita expenditure on health care is more than \$2,700; and the cost of an adequate health insurance plan for an average family is generally more than \$4,000 a year. Costs will continue to rise in the nation and the state if the problems are not addressed through far-reaching and comprehensive reform.

For example, in Maine alone, Medicaid costs have increased more than \$250 million over the past three years as enrollment in the program has increased by over fifty percent. If this trend

continues, more and more tax dollars will be needed to provide services to the neediest population. By the same token, Medicare costs are the fastest single growth component of the federal budget. Continued growth is expected unless health reform -- or a cutback in services -- occurs. Cuts in services and decreases in the federal share will mean ever-rising costs to Maine's elderly residents, who constitute a higher percentage of the population of Maine than most other states and many of whom are least able to afford increased health care expenses.

These increased health care costs are a tremendous problem for our economy -- they add significantly to the price of everything we make, whether it's paper, french fries, or computer software. The huge increases in health costs over the last twenty years have come right out of what would have otherwise been wage increases for American workers.

### **Reform and what it means for Maine**

Any meaningful reform must maintain the quality of our health care system, while addressing both access and cost. The problem is that the solution in one area could make the other worse. For example, if we simply increase access -- by providing or mandating coverage -- the result will inevitably be another upward spiral in costs -- which is exactly what happened when coverage was provided to the elderly (under Medicare) and the poor (under Medicaid).

I believe in universal access to health care for all of Maine's citizens. And the biggest barrier to access is the cost. As Governor, I will work to ameliorate this barrier to care. Much will depend upon what the federal government decides -- whether it is the current Clinton Health Plan or some version thereof. Whatever passes in Washington must leave Maine with the option of setting up its own system of coverage to meet the needs of its citizens.

Upon taking office, I will closely work with the Health Care Reform Commission, recently established by the legislature, to review federal alternatives and determine what should be done to ensure that Maine will be served well by any federal plan enacted.

Enacting universal access through insurance coverage is easy. The hard part is determining who pays for it, defining the limits of coverage, and managing the process to avoid causing a new round of ruinous inflation in health care costs. A second problem, often overlooked, is how to make it work in a rural state where access to care depends on more than just individual financial resources. Access to high quality primary care, preventative services, and education regarding healthy lifestyles require more than just an insurance card.

### **Who should pay?**

Universal coverage for a core of essential benefits is a cornerstone of my approach to solving the health care problem in Maine. If Congress does nothing, or enacts a patchwork policy that leaves the present health care financing system intact, then I am convinced that the State must act on its own to develop a system of universal coverage for all Maine citizens regardless of income or assets.

Any health care reform enacted in Maine providing universal access for Maine citizens must be paid for through a combination of resources from government, employer and employee contributions, and individual payments. However, in addition to funding, a major component of any policy reform package must be the creation of a more efficient health care delivery system. This means greater emphasis on the use of managed care (and other non-traditional delivery modes), insurance plans based on a capitated amount per enrollee, genuine health care planning at the community and State levels, streamlined payment systems, and economic incentives to individuals and communities to create more healthy lifestyles and seek early intervention and preventive services.

I believe strongly that we cannot simply impose a new employer mandate for health care coverage that applies only in Maine. And given the pace of change at the national level, there appears to be no reason for us to even consider doing so. On the national level, an extended employer mandate probably makes the most sense as a means to expand coverage. It is essential, however, that this be done on a national basis. For Maine to impose its own universal coverage mandate (which would likely cost our employers seven to ten percent of payroll), without a similar requirement in other states, would put the Maine economy at a significant disadvantage compared to other New England states. With such a mandate coming on top of Maine's already high cost of doing business, there's not much doubt that many of Maine's small businesses would simply go elsewhere, wither away, or never start up in the first place.

Managed care programs seek to provide essential health and medical care to beneficiaries while controlling costs by reducing use of unnecessary or discretionary services. In managed care systems, cost efficiencies are attained mainly through reduced utilization of expensive hospital care, specialty care, diagnostic testing, and non-emergency care. The idea is to create a system that can provide high quality care to patients by arranging for the provision of primary, specialty, and tertiary care for members. Managed care systems also promote preventive care through appropriate education, screening and follow-up services to members. Managed care is sufficiently new that we need to assure that the need for quality health care is not forgotten. Managed care holds promise, however, in both public and private insurance programs.

*Availability of Care.* Removing financial barriers to care is only one step in insuring universal access to a realistic benefits package. True access means the ability to obtain care within a reasonable distance of one's home, depending on the type of care needed. Preventive services, primary health care, prenatal health care, basic screening, and diagnostic services should be available as close to a person's home as feasible for a rural state. More sophisticated services for treatment of advanced conditions of disease and disability cannot always be located in close proximity to those who live in remote areas. But any coverage for these services must take into account the travel costs of residents.

The unfortunate reality of health care is that there is not enough money in the world for universal access and unlimited coverage without reorganization of the delivery system, as well as a strong focus on primary care and the management of health care services at the individual level. For

politicians to sell health care as the ultimate entitlement, while low-balling the costs and ignoring the necessity of changing utilization patterns, is simply irresponsible.

Inevitably, some controls on state spending (and therefore on utilization) will be necessary. For too long, politicians have been promising us that they can solve virtually all our problems, if only we will elect them. They can't. We must solve most of our problems ourselves, and the sooner we learn this and relearn that There's No Such Thing As A Free Lunch, the closer we'll be to a just society. In other words, we must rediscover the concept of personal responsibility.

One of the real challenges inherent in any plan that increases access to the health care system is doing so without major price inflation, and this looming threat must be constantly in mind as we pursue reform.

*Clinton Administration Plan.* The Clinton Administration plans to control costs through "managed competition" which makes sense on paper, but which has never been tried in practice, at least on a large scale. The theory is that the savings from managed competition will cover the additional costs of universal coverage. This is an essential assumption of all the reform proposals, and I hope that it proves true. At the same time, I am aware that the creation of managed care on the state level will require substantial planning and cooperation from health care providers, consumers and insurers. It will also necessitate the reorganization of health care services in many communities.

*Single Payer.* The concept of a "Single Payer" system has some attractive aspects, but in my view is not the preferred way to achieve both the access and cost efficiencies necessary to fund health care reform. I am skeptical of the idea of effectively turning our entire medical care payment system over to the state. We are talking about over \$3 billion a year in Maine -- more than twice the current annual State budget. A *single payment system*, on the other hand, is far more attractive than a single-payer system. This means a system where fees for services for the publicly insured are equal to those of the privately insured. We must work to eliminate discrepancies in the payment system that promote reduced access among those who currently have insurance, for example Medicaid and Medicare recipients.

I will keep an open mind on the single-payer option until the submission of the Health Care Reform Commission report, due in mid-1995, but must, in all honesty, express my current reluctance to endorse such a plan.

### **Specifics on health care in Maine**

*Maine Health Care Reform.* As I mentioned, the Second Regular Session of the 116th Legislature enacted legislation setting up a Health Care Reform Commission consisting of three individuals and a small staff to focus on the health care needs of our State. The commission is to meet and to report back to the Legislature with three different plans for health care reform in Maine. I endorse these efforts and as governor will work closely with the commission to develop the most comprehensive solution possible, tailored specifically to the needs of Maine people. However vital the work of this commission may be, the executive branch must also be ready to

respond to national reforms and play a major role in health care reform in Maine. This is why we need to conduct our own policy study as outlined above.

*Insurance Reform.* Maine has been a leader in reform of the health insurance market. Laws requiring community rating, continuity and portability of coverage and limiting exclusions for pre-existing illnesses and conditions have been enacted, making insurance more available for those who can afford it. While insurance reform alone will not guarantee universal coverage, it is an important first step towards health systems reform. I support continued reform of the health insurance laws to assure the broadest availability possible without unduly increasing the cost of coverage.

*Medicaid.* The Medicaid budget for Maine now exceeds a billion dollars each biennium. The single largest expense is long-term care, but all aspects of the program need to be examined. Efforts are now being made to install medical gate-keeper systems and to explore capitated contracts with networks of providers under this program. Through these managed care initiatives, it is hoped that unnecessary services can be reduced and costs controlled. I fully support the introduction of managed care into the Medicaid program. As noted in the general comments above, we must be realistic in assessing the state's ability to finance all medical services that may be desired. In a way that is unique to our country, our "wants" for medical care may exceed our needs as well as our financial resources.

*Maine Health Program.* The state's attempt to provide health insurance coverage for Maine's low income families through a program aimed at people who are not eligible for Medicaid is laudable. Although it has been difficult to find the funds during the past recessionary years, the legislature has managed to keep the program alive. This is appropriate given the demonstrated need for the Maine Health Program and the fact that the taxes raised to fund the program are still being collected. I support the program and will work to continue it. I will, however, work to ensure that appropriate managed care systems are continued, and, if appropriate, expanded within the program as soon as possible.

*Mental Health.* The past eight years have been a difficult time for Maine's mentally ill. Beginning with the crisis at our state institutions, and concluding with the state's inability to live up to its obligations under the AMHI Consent Decree, Maine's relationship with and its moral (and legal) obligation to the mentally ill has deteriorated. As governor, I intend to convene a mental health summit early in 1995 to review how the State's mental health system is structured and how the currently available money is spent.

I believe that we must continue to explore opportunities to deinstitutionalize persons with mental illness, while guaranteeing that patients are not released until a truly adequate system of community support is in place. This issue will be a top priority in my administration. I also support continuing changes in our insurance laws to maintain treatment for biologically-based mental illness. Our citizens suffering from mental illness deserve no less.

*Tort Reform.* While I recognize that reform of our legal system continues to be a controversial issue, I believe that the tort laws need to be examined continually so that they are appropriate to today's medical and legal environment. Given the drive toward managed care, it is important that Maine's medical community not be inappropriately put at risk for lawsuits that take millions of dollars directly and indirectly from our health care system. In the recent past, attorneys and medical professionals have worked together to seek changes in laws that have protected the rights of injured parties, while at the same time diminishing the cost of malpractice litigation to the health care system. I will do all I can as Governor to encourage the interested and affected parties to continue to work together to propose solutions in this area.

*Practice Parameters Research.* Maine's five-year Liability Demonstration Project, linking practice parameters in four medical specialties to liability protection, has been the subject of intense discussion nationally. In fact, the Clinton administration has advocated its expansion into the national proposal for health care reform. I fully support the project and its expansion into additional specialties. Practice parameters, outcomes research, and similar research-based efforts are among the most exciting and promising developments in current medicine. We should be proud of our innovative and creative efforts in these areas and continue them. Specifically, the work of the Maine Medical Assessment Foundation warrants comment. The Foundation's ground-breaking efforts in diagnosing physician variations in treatment and outcomes and in treating the variations has been universally complimented. These efforts have been accomplished without any taxpayer support on the state level. I congratulate the Foundation and will do all I can as Governor to support these worthwhile efforts.

*Hospital Regulation.* Maine's 42 acute care hospitals have been regulated by the Maine Health Care Finance Commission since 1983. This complex system of revenue limits has led to an increasingly hostile relationship between regulators and community hospitals. With the dramatic changes in the market for hospital services, it is time to reexamine the purposes of the commission and to make sure that its functions are appropriate to today's environment. As governor, I will appoint a panel of experts to review the existing level of regulation in light of today's environment and to recommend any necessary changes to the legislature.

Given the increasing cooperation and consolidation in the hospital industry, as well as the dramatic shift toward managed care and capitated reimbursement systems, our regulatory schemes need to be closely evaluated. If integrated networks of providers (including hospitals, physicians, and other providers) are going to be paid for their services on the basis of a capitated rate, rather than through the traditional fee-for-service model, all the incentives are changed and the current regulatory scheme may need to be changed accordingly. In a managed care world, instead of focusing on limits to revenue, our regulatory structure will need to include strong quality control components to prevent appropriate services from being withheld.

*Regional Medical Care Systems.* The end result of an efficient and affordable health care delivery system is a regional medical care system driven by the health care needs of local communities. Tertiary care centers (major hospitals) must be integrated with local community hospitals and the local network of services and providers. A payment structure alone will not

bring about this system. An active state government with the assistance of consumers, providers, and employers is essential. We are now seeing movement towards hospitals and providers forming integrated networks and working together on a regional basis. I support these efforts to bring about a more efficient delivery system on a regional basis.

I support a health care delivery system that provides reasonably easy access to primary care close to one's home. To accomplish this, I will support the development of a network of community health planning groups. These groups, assisted by data and support personnel from the state, will develop community health care plans for each region of the state, with particular emphasis on the primary medical care needs of the population.

In addition, I support training and education of primary care providers (including physicians, nurse practitioners and physician assistants) in communities where they intend to practice. I believe we must reevaluate the state medical education compact program to ensure that it attracts students from rural and underserved areas, and that it provides incentives for graduates to return to areas of highest need. I believe the state should assist Maine's teaching hospitals to train providers in under-served areas of the state. I believe we need to work with the federal government and private foundations to expand programs to attract Maine citizens into the health care industry as providers or support personnel; and that we must utilize funds available to the state through federal and other sources to support the retention of dedicated providers throughout Maine, especially in under-served and rural areas.

*Allied Health Professionals.* The important role of allied health professionals (nurses, physician assistants, physical therapists, chiropractors and others) cannot be overstated. These professionals provide a great deal of the health care that is available to Maine people. As health care reform is achieved, it will be necessary to look at the roles played by these professionals and to assure that we permit optimal use of their skills. Recently, a task force organized by former State Senator Judy Kany has formed to examine the process and structure of health professions licensing in Maine. Such projects are valuable and should help to promote flexibility and to improve health care access.

I feel compelled to address, directly, L.D. 1185, "An Act to Increase Access to Primary Care by Redefining the Practice of Advanced Nursing." I fully support the goal of the legislation -- to improve access for Maine citizens to primary care. The bill, as amended, defines the collaboration process, sets educational standards, accepts national certification, and specifically charges the Board of Registration in Nursing to adopt rules to define the standards of practice and the requirements for approval for practice. In addition, the amended bill establishes a three year period of physician supervision, which will then be followed by "collaboration," which requires at least one written collaboration agreement with a physician, but allows collaboration with more than one health care provider.

At the same time, I recognize that many in the medical profession were concerned that the bill did not resolve important liability questions that are raised when there is a change in the legal relationship between physicians and nurse practitioners. As I read the amended bill, however,

physician liability for collaborative practice with the Advanced Registered Nurse Practitioner is defined and limited by the act. As governor, I will encourage the interested parties to work together to fully resolve the liability issue, and intend to support this, or similar, legislation when it is resubmitted.

*Public Health.* Not enough has been said about public health in the debate about health care reform. Maine's efforts in the area of public health need to be strengthened; a more comprehensive approach needs to be taken. Frankly, we are not doing well in that area. For instance, Maine is third in the nation in the number of smokers age 18 to 34. In 1991, 27 percent of Maine adults smoked and smoking rates among high school seniors are consistently high. Tobacco adds more than \$88 million a year to health care costs in Maine and causes 16 percent of the deaths in our state each year. We must be more supportive of the efforts of our Bureau of Health to decrease the level of smoking among the youth of Maine and we need to work to make it more difficult for underage smokers to acquire tobacco products.

### **Conclusion**

Given the size of the health sector, and its inherent complexity, I prefer a focused approach to reform, one that expands access while controlling the costs of care. Expanded access can only be accomplished with systematic and planned changes in the health care delivery and payment system, changes that promote responsibility on the part of consumers and providers of care. Careful planning and broad based support for change is essential if we are going to take our existing health care delivery system, preserve the many good components, and implement a more equitable, rational and cost-effective system.

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Angus King is a Brunswick businessman and former host of a television public affairs program. He also has served as chief counsel for a Senate subcommittee. He is running as an independent candidate.

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