



April 25, 2005

An Open Letter to the Maine Legislature: Support Needed Dirigo Reform Legislation, LD 1496

Dear Legislator:

On behalf of the more than 1,800 members of the National Taxpayers Union (NTU) in Maine, I write in strong support of legislation (LD 1496) that would make some needed reforms to the Dirigo health care system. Rather than continuing down the dangerous path towards socialized medicine, this important legislation would reintroduce elements of the free market into the state's broken health care system.

Contrary to the wishful thinking of those who favor socialized medicine, the Dirigo plan has been a disaster for Mainers in every possible way. Even with the federal government partially subsidizing the plan, overall health care access has not improved. The number of Mainers signing up for Dirigo has been disappointing to its backers and worse, rather than helping the uninsured get coverage, many simply traded their private insurance plans – the second most costly in the nation according to the National Association of Health Underwriters – for the Dirigo scheme.

Just as troubling as its ineffectiveness is the fact that Dirigo implementation required a government takeover of the state's largest industry (health care), a four percent tax increase on insurance premiums, loss of competing insurance carriers, shutdowns of even more small businesses, further job losses, and government-directed rationing of health care services. It is quite possible that the plan will also require the closure of several rural hospitals. Similar plans in Kentucky and Oregon have been abandoned, while Tennessee is desperately trying to slash its costly TennCare program.

Instead of reducing the number of choices available to consumers, enacting LD 1496 would give Mainers powerful economic incentives and a better range of services, without the need for a massive, restrictive bureaucracy. I hope you will make needed reforms to Dirigo that restore free market principles and personal choice to health care.

Sincerely,

Paul J. Gessing
Director of Government Affairs