



UNITED STATES of CARE

MAINE VOICES:

EXPERIENCES WITH HEALTH CARE *From* MAINE EMPLOYERS

Maine has made substantial progress in increasing health care coverage for residents in recent years by expanding Medicaid, establishing a state-based Marketplace, and broadening eligibility for children. While these efforts have significantly increased health insurance coverage, Maine people, including those with insurance, continue to struggle with the high and rising cost of health care.

USofCare believes that sustainable improvement within the health care system starts by listening to people and including them in every step of the process. To better understand how Maine's small businesses are impacted by health care access and affordability we hosted a community listening session with Maine employers and learned how the cost of health care impacts not only businesses and employers but their employees as well.

Key Findings

In the fall of 2024, conversations were held with 12 members of the Maine business community with varying numbers of employees and types of health plans. The 90-minute conversation covered a variety of health system-related topics which revealed deeply complex challenges of accessing quality health care in Maine both for employers and their employees. Participants expressed frustration with rising costs, limited access, and lack of transparency in pricing when it comes to health care. Further insights on the following key findings include:

High Cost of Health Care. Small and mid-sized businesses are plagued by high health care costs and a lack of transparency. Employers bear a significant financial burden due to the disparity in pricing for similar procedures and increasing provider prices. They also feel a significant financial burden in providing health care coverage for their employees. Balancing the needs of their employees with cost constraints is a constant challenge.

Lack of Transparency. This lack of transparency of costs makes it difficult for both employers and employees to make informed decisions about their health care choices. The challenge lies in understanding the true cost of health care services and the factors contributing to these high prices.

“I think health care expense is an underlying driver of inflation because you think about-- not in the non-profit world, but in the for-profit world, right? We're not gonna budget to make less money...Then I've got to make it up on the top line so I have to raise prices. I would assume for most businesses that's an underlying driver of the prices going up.” -CEO of a statewide business

99.2% of Maine's businesses are small businesses employing **56.3% of Maine's workforce.** Maine's private sector employees are offered health insurance through their employer at rates **lower** than the national average.

RECENT SURVEYS OF MAINE RESIDENTS FOUND THAT:

- Half of surveyed voters are worried about their ability to afford basic health care needs.
- Two out of three voters are worried about their ability to afford out-of-pocket costs they may be charged for hospital-based medical care.
- Half of surveyed voters found it difficult to save for emergencies and important life events because of health care costs.

“Does the individual understand the difference between the care they're getting, the cost of that care, what they're paying? There's so many different pieces that-- I think our employees broadly understand we have good health care, but at any given moment it's not clear whether or not they like the care, the insurance or the price or the amount that's subsidized by the employer. There's so many different moments of confusion that it's all very opaque.”

-Portland area employer

Primary Care and Mental Health. Access to primary care was mentioned as a significant challenge, with many individuals facing difficulty in scheduling appointments with primary care physicians. They pointed out high turnover rates among primary care providers which further exacerbate the issue, leading to disruptions in patient care.

The growing need for mental health services, particularly among younger generations, is also a pressing concern among business owners and they also recognize that there are limitations in current mental health services, especially in rural areas, that hinder access to care.

Influence of Consolidated Health Systems. Participants commented that large health care systems play an outsized role in shaping access to and the cost of care, noting that understanding pricing and navigating through options and referrals is daunting for their employees, resulting in many seeing higher-cost providers even when lower cost, higher quality options exist.

Impact of Health Costs on Business Operations. Participants expressed concern that rising health care costs consume resources that would otherwise be used to hire additional employees or provide wage increases. One participant also noted the need to incorporate the cost of health benefits when setting prices for products and services.

“It’s [primary and mental health care] extremely important, regardless if the employee knows it’s important. Not only should you have a preventative medical exam, but you should have a mental health exam as well. We see our claims and see mental health utilization is increasing exponentially. This is good in my eyes. This means people who have depression are getting diagnosed, and if that means preventing it from getting worse down the line, that means increased productivity, retention, etc.”

-Southern Maine employer

“I’d say that in Maine, we are very unique. We have a concentration of providers. We have Maine Health, we have Northern Light, Central Maine. The two behemoths are MaineHealth and Northern Light. They’re the hospitals, they own the provider practices, specialists. It’s all a business as well. They have to refer within.”

-Portland area employer

“We know that if we make someone a FTE, that is a full time commitment with our contribution to health insurance every month. So before hiring, we assess whether or not it is something that we can afford. This makes us understaffed and conservative for costs and retaining people for full-time work.”

-Portland area business owner

Policy Considerations

Maine’s business leaders care deeply about the well-being of their employees and know they are essential to the success of their businesses, but many struggle to navigate a complicated and expensive health care and coverage system. Policymakers can help strengthen Maine’s small businesses by enacting policies aimed at lowering the overall cost of health care services making covering employees and their families easier and more affordable.

Conclusion

Small businesses are the backbone of Maine’s economy, and rely on a healthy stable workforce. Employers are concerned about ever-increasing costs and limited ability to constrain the prices driving those increases. They also foresee a need for stronger primary care relationships and easier access to mental health care particularly for younger workers who need treatment for mental health and substance use disorders. Employers want to work with government to find tailored and effective solutions.