

HEALTH CARE FOR AMERICA **NOW!**

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New Report Details Failure in National Health Insurance Market

*Maine Advocates, Small Businesses
Call for a Public Insurance Option*

Portland, ME – Small business owners and representatives of the [Maine People's Alliance](#) gathered at the North Star Café in Portland's East End today to release a new report, which shows that Maine's for-profit health insurance market is leading to skyrocketing premiums for both patients and employers. Speakers at the event used the report to underscore their support for a national public health insurance option and urged Maine Senators Snowe and Collins to support a public plan.

"Selling coffee is not like selling health care," said Anna Maria Tocci, owner of the North Star Café. "When I make a profit it means I've sold more cookies. When the insurance companies increase their profits, it means that thousands of people have been denied needed care. If we leave health insurance in the hands of private companies, they will always prioritize profits and make money by denying coverage to the people who need it the most."

The report, released as part of the national Health Care for American Now coalition, shows that a couple of private health insurers have built a near-monopoly in the Maine market, hiking insurance costs at will and burdening families and businesses with premiums that are out of reach for most Mainers.

"Health insurance premiums grew 5.4 times faster than Maine wages between 2000 and 2007," said Ali Vander Zanden, Health Care Organizer for the Maine People's Alliance. "This report documents the same trend in states across the country—we are not the only state with an insurer like Anthem who is so large that they can bully us at every turn with threats to leave the market. It is clear that it is not our state's consumer protections that have created this problem; market consolidation is an industry-wide, country-wide practice. If we don't implement a public insurance plan this year, private health insurers will continue to drive prices as high as they want with no fear of decreased demand and consumers will continue to suffer from escalating rates and worse coverage."

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The report offers state-by-state statistics that demonstrate that the consolidated insurance market in Maine is a national phenomenon and it details a host of examples of private insurers “rigging the system” and colluding to drive up prices through controversial financial schemes. One example highlighted in the report is the use of “shareholder buybacks,” whereby private insurers reduce the number of shares that are publicly traded, raising the value of existing shareholders’ stakes and bolstering CEO’s arguments for higher executive compensation.

“The predictable consolidation of the private insurance market and the inevitable use of financial maneuvering to build market share and drive up profits underscore permanent flaws in the health insurance market,” the report concludes, “These faults can only be addressed by the creation of a public insurance option.”

“As both a small business owner and a nurse, I’ve seen both the cause and the effect of a lack of coverage,” said Melanie Collins, a registered nurse and owner of a childcare business. “[Insurance companies] don’t have to look at the faces of their customers when they decide to raise their rates by twenty percent, or cut someone’s benefits, or deny a claim. They don’t care about the wellbeing of the human beings whose health they insure-- they care about their bottom lines, and so they’ll do anything to make an extra dollar. This report proves what many nurses and small business owners already know—health insurance is something we simply can’t leave to the market.”

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[Health Care for America Now](#) - the nation's largest health care campaign - is made up of more than 1000 organizations representing more than 30 million people nationwide. President Obama and more than 190 Members of Congress support HCAN’s principles for health care reform. All across the country, HCAN supporters are organized and mobilized to stress the urgent need for health care reform in 2009 -- reform that finally puts our health care needs before insurance company profits.