



128th MAINE LEGISLATURE

LD 502

LR 485(01)

An Act Regarding Hospital Charges and Statements

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Whittemore of Somerset

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Unknown net impact to the Accident, Sickness and Health Insurance Internal Service Fund
Potential current biennium savings - Retiree Health Insurance Fund

Fiscal Detail and Notes

This bill prohibits a hospital from billing certain patients for any inpatient or outpatient service or procedure at a level that exceeds 120% of the average allowable reimbursement rate under Medicare for that service or procedure. The bill also requires a carrier, which includes the State Employee Health Plan (SEHP), to disclose to a prospective enrollee prior to enrollment if a health plan has a provider network that operates under a provider agreement between the participating provider and carrier that subjects an enrollee to the terms of the agreement upon enrollment and that requires reimbursement for any hospital inpatient and outpatient services and procedures at a level that exceeds 150% of the average allowable reimbursement rate under Medicare for that service or procedure. This only applies to in-network Hospitals (not other types of providers) and would require the SEHP to disclose when any hospital reimbursement is higher than 150% of Medicare. While the intent of this bill is to create savings by driving down costs, the SEHP expects the administrative burden of monitoring the 150%, especially with the disclosure being only for hospitals, would be extra work for the plan that would be greater than the savings.