Northern Light Health

Northern Light Health
Government Relations
43 Whiting Hill Road
Brewer, Maine 04412

Office 207.861.3282
Fax 207.861.3044

Northern Light Health
Acadia Hospital
A.R. Gould Hospital
Beacon Health
Blue Hill Hospital
C.A. Dean Hospital
Eastern Maine Medical Center
Home Care & Hospice
Inland Hospital
Maine Coast Hospital
Mayo Hospital
Mercy Hospital
Northern Light Health Foundation
Northern Light Laboratory
Northern Light Pharmacy
Sebasticook Valley Hospital

LD 1407 An Act to Amend the Maine Insurance Code Regarding Payments by Health Insurance Carriers to Providers

Testimony in Support
April 24, 2023

Senator Bailey, Representative Perry and members of the Health Coverage, Insurance and Financial Services Committee, my name is Lisa Harvey-McPherson RN. I am here today providing testimony on behalf of Northern Light Health and our member organizations speaking in support of this bill. Northern Light Health member organizations include 10 hospitals located in southern, central, eastern and northern Maine, 8 nursing facilities, air and ground ambulance, behavioral health, addiction treatment, pharmacy, primary and specialty care practices and a state-wide home care and hospice program. Ninety three percent of Maine's population lives in the Northern Light Health service area. Northern Light Health is also proud to be one of Maine's largest employers with more than 10,000 employees statewide.

I want to begin by thanking Representative Mastraccio for sponsoring this important legislation. This bill establishes important criteria regarding amendments to existing provider agreements.

Today carriers must provide participating providers with notice of proposed amendments to provider agreements at least 60 days prior to the effective date of the change. Unfortunately the lack of transparency in carrier communication of what the change is often results in significant time and research by our team to try and determine exactly what has changed. Here is what we experience.

On a regular basis (generally monthly) we receive email communication that includes links to information about medical polices and guidelines that that are material changes in coverage or payment policies. This email communication starts the 60-day timeline for notice. The communication states that there is a revised medical or clinical guideline that might result in services that were previously covered now being considered not medically necessary or investigational. Our staff then review a document regarding the guideline. The documents are generally 10-15 pages long with lots of information, descriptions and codes. What the document does not identify is what exactly the change is, there is no underlining, no highlighting, no "look here at this section – this is what's new or changed". Codes for treatments and procedures in the document are for "informational purposes" and do not imply coverage. Some months there are as many as 5 material changes/amendments. So our staff are looking at 5 different policies, 50 or more pages of information trying to figure out what exactly has changed. Now expand this to all of the carriers and all of the material changes and amendments to coverage and payment policies and it readily becomes clear this is an unnecessary administrative burden created by the carriers. Our staff spend weeks and months working to identify the detail of the change and then incorporate the change into our billing protocols. Sometimes we get it right, other times we find out about the material

This institution is an equal opportunity provider and employer.

change when a prior authorization is denied or a claim for our service is denied. Sometimes we understand the change after our extensive research and believe it violates terms of our contractual agreement, carriers should not be able allowed to violate the terms of our contract with this type of notice between contracting periods.

This bill is a critical step forward to resolve the challenge. This bill states that the provider has an opportunity to reject the change and further states that the carrier notice must include the carrier's good faith estimate of the total annual financial impact of the amendment on the aggregate amount of payments made by the carrier to all providers within the State with whom the carrier has a provider agreement. The bill also states that if a provider objects to an amendment before the expiration of the 60-day notice period, the amendment to the provider agreement or manual, policy or procedure document takes effect 18 months from the date the carrier notified the provider, except that, if there are less than 18 months remaining on the current term and the provider agreement is not renewable, the amendment may not take effect during the current term of the provider agreement.

The bill also establishes important timeline limits on the ability of carrier to retrospectively deny claims. Today the law states that the retrospective denial of a previously paid claim may be permitted beyond 12 months from the date of payment under certain criteria. This bill sets a timeline of no later than 24 months from the date of payment.

We ask that you support this important legislation. Thank you.