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Commissioner



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April 14, 2025

Senator Ingwersen, Chair
Representative Meyer, Chair
Members, Joint Standing Committee on Health and Human Services
100 State House Station
Augusta, ME 04333-0100

Re: LD 1447 – *Resolve, Directing the Department of Health and Human Services to Expedite Reimbursement of All Vendors*

Senator Ingwersen, Representative Meyer and members of the Joint Standing Committee on Health and Human Services, thank you for the opportunity to provide information in opposition of LD 1447, *Resolve, Directing the Department of Health and Human Services to Expedite Reimbursement of All Vendors*.

This resolve requires the Department of Health and Human Services (the “Department”) to amend its rules in Chapter 101: MaineCare Benefits Manual to require the Department to reimburse at least 75% of a submitted claim for services rendered within 90 days of receipt. The title of Section 1 addresses the receipt of cost reports, while the proposed language addresses submitted claims; as these filings are distinct and separate, the Department requests clarity as to the actual intent of the bill. Currently, the Department understands the intent of LD 1447 to be that the Department must pay a percentage of the amount submitted on any individual claim within a certain time period; if this is not the intent, the language needs to be clarified.

MaineCare already must comply with [federal prompt pay requirements](#), which mandate 90% of clean claims be paid within 30 days of receipt and 99% of clean claims be paid within 90 days of receipt (a clean claim is one that comes into the claims processing system with all the basic information needed to process the claim.) Failure to pay claims according to these requirements could result in loss of federal funds. Prompt pay requirements, which apply to the entirety of a claim, are therefore more strict than what this bill is proposing.

This bill refers to a “submitted claim,” implying that the Department must pay 75% of the amount that a provider charges the Department. Claims go through a complicated adjudication process, with different payment methodologies applied to different types of providers and services. The eventual amount paid is not always the entirety or a specific percentage of the charge amount; MaineCare may also deny part or all of a claim for various reasons. It would violate MaineCare policy to ignore the claims adjudication process and default to paying 75% of the amount on a submitted claim.

Additionally, the Department’s claims processing system is not configured to pay a percentage of the amount eventually owed on any individual claim: each line on a claim (each submitted charge) must have a status of paid, denied, or pending, where pending indicates further information or review is needed. Implementing the bill as drafted would require a manual process for pending, reporting, tracking, calculating, paying, and subsequently adjusting claims; this is not practical or feasible and does not align with federal prompt pay or reporting requirements. Should this bill move forward, additional staff will be

required to facilitate burdensome manual claims processing, although without more clarity on the intent of the bill, it is not possible to estimate the number of new staff needed.

If the intent of the bill is indeed to address cost reports as written in the title of section 1, the net fiscal impact would be \$34,456,903 in SFY 2025 and approximately \$90,000-\$96,000 for subsequent years.

Federal prompt pay requirements already mandate swifter payments to providers than what is proposed in this LD. The Department encourages the committee to support the Department's current practices as the proposed changes in LD 1447 would not be in the best interest of MaineCare enrolled providers, MaineCare members, or the Department. Please feel free to contact me if you have any questions during your deliberation of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle Probert".

Michelle Probert
Director
Office of MaineCare Services
Maine Department of Health and Human Services