



380 Lincoln Street South Portland, Maine 04106

April 24, 2025

To: Members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services

RE: Support for LD 1511, An Act to Expand Direct Care Health Service Arrangements

I am a family physician in the City of South Portland. I treat many patients who are either uninsured or underinsured. I have been practicing with the Direct Primary Care model for the past 12 years. It has been very successful in meeting patients' needs in a timely and cost effective manner. Unfortunately, we often struggle finding affordable specialists to whom I can refer my patients when they need speciality care outside of my office. I see LD1511 as a way to address this dire need.

LD 1511, An Act to Expand Direct Care Health Service Arrangements, proposes to broaden the framework for direct primary care agreements in Maine, allowing individuals and providers to enter into innovative, cost-effective healthcare arrangements outside traditional insurance models. This legislation aligns with the growing demand for affordable, patient-centered healthcare solutions and deserves strong support for its potential to enhance access, reduce costs, and empower both patients and providers.

Benefits of Direct Care Arrangements

Direct care arrangements enable patients to pay providers directly for primary care services through periodic fees, bypassing insurance intermediaries. This model fosters stronger patient-provider relationships, as providers can spend more time with patients without the constraints of insurance-driven metrics. LD 1511 would expand eligibility for these arrangements, allowing more Mainers to access personalized care. By reducing administrative overhead—estimated to account for up to 30% of healthcare costs in traditional systems—direct care models can lower expenses for patients while ensuring providers are fairly compensated. For example, practices like those in Maine's existing direct primary care pilot programs have reported improved patient satisfaction and reduced emergency room visits due to better preventive care.

Addressing Healthcare Challenges in Maine

Maine faces significant healthcare challenges, including rising insurance premiums and provider shortages, particularly in rural areas. LD 1511 offers a practical solution by incentivizing providers to adopt direct care models, which require less bureaucratic

overhead and can attract physicians to underserved regions. This is critical given that 20% of Mainers live in rural areas with limited access to primary care. Additionally, direct care arrangements can complement high-deductible health plans, making healthcare more affordable for the 15% of Mainers enrolled in such plans who often face high out-of-pocket costs before insurance coverage begins.

Economic and Systemic Advantages

By expanding direct care options, LD 1511 could reduce strain on Maine's Medicaid program (MaineCare) and private insurance markets. Patients with consistent access to primary care are less likely to require costly specialist or hospital interventions, potentially saving the state millions annually. Furthermore, this legislation supports small business owners and self-employed individuals—key segments of Maine's economy—by offering a flexible, predictable healthcare option that avoids the volatility of premium increases. The model's success in states like Texas and Washington, where direct primary care has grown significantly, suggests Maine could see similar economic benefits through increased provider retention and patient financial stability.

Countering Potential Concerns

Critics may argue that direct care arrangements could undermine traditional insurance markets or exclude low-income individuals. However, LD 1511 is designed to complement, not replace, existing systems, offering an additional choice for those who find insurance-based care unaffordable or inadequate. To ensure equity, the legislature could explore subsidies or tax credits for low-income Mainers to access direct care, building on the bill's framework. Additionally, the bill includes safeguards to ensure transparency in pricing and services, protecting consumers from potential exploitation.

Conclusion

LD 1511 represents a forward-thinking approach to Maine's healthcare challenges, promoting innovation, affordability, and patient empowerment. By expanding direct care health service arrangements, Maine can improve access to primary care, reduce systemic costs, and support both patients and providers in building a healthier future. I urge the legislature to support this bill and advance Maine's leadership in patient-centered healthcare reform.

Recommendation

Pass LD 1511 with provisions for monitoring implementation and ensuring equitable access, such as potential subsidies for low-income residents, to maximize its benefits across Maine's diverse population.

Very Respectfully,

Michael A. Ciampi, M.D.

•