

Palmer Higgins
Chenmark
LD 1713

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

My name is Palmer Higgins, and I am an executive at Chenmark, a Maine-based holding company employing hundreds of Mainers across a variety of small businesses. I am here today to express our support for LD 1713. As an employer committed to offering high-quality, affordable healthcare to our employees, we are troubled by contract provisions like all-or-nothing clauses that limit our ability to design health plans that prioritize value and cost-effectiveness.

In Maine's highly consolidated healthcare market, prices for routine services vary dramatically depending on where care is delivered. For example, a comprehensive metabolic panel can cost five to six times more when performed in a hospital setting versus a free-standing lab. Similarly, a CT scan of the abdomen and pelvis costs more than twice as much at a hospital outpatient department compared to an independent imaging center (\$1,697 vs. \$722). Employers need the ability to build networks or offer incentives that steer employees to high-quality, lower-cost providers — but all-or-nothing clauses effectively block these strategies, forcing inclusion of all system providers regardless of value or cost.

LD 1713 is a smart, targeted step to prohibit these anticompetitive practices and restore employers' ability to manage healthcare costs responsibly. We respectfully urge you to support this bill on behalf of Maine's businesses, employees, and families.

Respectfully,
Palmer Higgins