



Testimony in Support of LD 1713

Submitted to the Joint Standing Committee on Health Coverage, Insurance and Financial Services

Jen Hughes, Director of People & Culture, Systems Engineering

Senator Bailey, Representative Perry, and distinguished members of the Committee,

Thank you for the opportunity to provide written testimony in support of LD 1713, *An Act to Prohibit Certain Provisions in Health Care Provider Contracts with Insurance Carriers*.

As the Director of People & Culture for a 100% employee-owned Maine-based business employing approximately 185 people, I'm deeply invested in the affordability and accessibility of healthcare for our team. Like many Maine employers, we work hard to offer competitive, high-quality benefits while managing rising healthcare costs that ultimately impact both our business and the people who work here.

Maine's healthcare landscape is highly consolidated. Nearly half of the state's hospitals and many provider practices are owned by just two large systems. While consolidation is often marketed to improve efficiency and quality, in practice, we're not seeing lower costs—just the opposite.

From an employer's perspective, this dynamic creates real challenges. While we have options when it comes to insurance carriers—we can switch from one to another based on cost, service, or network, we don't have the same flexibility when it comes to providers. In many parts of Maine, especially rural areas, there simply aren't alternative options. This means certain providers become essential for meeting network adequacy requirements, giving them significant leverage when negotiating contracts with insurance carriers.

When that kind of market imbalance exists, we see contract provisions that limit competition and drive-up costs—like all-or-nothing clauses and anti-steering provisions. These may sound like technicalities, but they have a real impact on what our employees pay for care. All-or-nothing clauses force carriers to include an entire system's providers, regardless of cost or quality. Anti-steering provisions block carriers from offering incentives, like lower copays, that could encourage employees to seek care from higher-value, more affordable providers.

If we want to encourage smart, cost-effective choices for our employees, especially those on high-deductible plans, we need policies that allow carriers and plan sponsors to steer patients toward higher-value care. But that's not possible when anti-competitive provisions are baked into provider contracts.

LD 1713 is a step toward restoring balance. It doesn't undo the consolidation we've already seen, but it does create a more level playing field in contract negotiations. It helps ensure that Maine employers, and the people we employ, aren't paying more than necessary simply because of contractual limitations that serve large systems rather than patients.

Thank you for the opportunity to share this perspective. I urge you to support LD 1713 on behalf of Maine's employers and working families.

Respectfully,

Jen Hughes
Director of People & Culture
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