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April 29, 2025

The Honorable Donna Bailey, Senate Chair
The Honorable Lori Gramlich, House Chair
Joint Standing Committee on Health Coverage, Insurance and Financial Services
100 State House Station
Augusta, ME 04333

Re: LD 1713, *An Act to Prohibit Certain Provisions in Health Care Provider Contracts with Insurance Carriers*

Dear Senator Bailey and Representative Gramlich:

I am writing in support of LD 1713, *An Act to Prohibit Certain Provisions in Health Care Provider Contracts with Insurance Carriers*. LD 1713 prohibits anti-steering, anti-tiering, and all-or-nothing clauses in contracts between providers and health insurance carriers. These provisions limit the ability of insurers to incentivize patients to choose higher-value, lower-cost providers by guaranteeing the provider, such as a hospital system, optimum placement in the insurer's network of providers. By limiting competition on price and quality, these clauses might allow providers to charge higher prices without fear of losing business to more cost-effective alternatives. Providers may have fewer incentives to improve quality or offer lower prices when they are already assured of a comfortable place in the insurer's network.

I suggest slight modifications to the Attorney General enforcement provision at the end of Section 1 of the bill. The forms of relief available to the Attorney General in the event of an enforcement action are expressed in the alternative but should not be mutually exclusive. For clarity, we also recommend replacing "Other equitable relief for violations of this section" with "Other equitable relief, including monetary relief, for violations of this section."

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Aaron M. Frey".
Aaron M. Frey
Attorney General