



Janet T. Mills
Governor

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION
BUREAU OF INSURANCE



Joan F. Cohen
Commissioner

April 29, 2025

Senator Donna Bailey, Senate Chair
Representative Kristi Mathieson, House Chair
Joint Standing Committee on Health Coverage, Insurance and Financial Services
100 State House Station
Augusta, ME 04333-0100

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

Dear Senator Bailey, Representative Mathieson, and Members of the Committee:

The Bureau of Insurance is neither for nor against LD 1713. The purpose of this letter is to provide you with background information. This bill amends the General Provisions section of Title 22, Part 4, Hospitals and Medical Care, and the Health Plan Improvement Act in Title 24-A. Our comments focus on changes to Title 24-A.

We believe this bill is based on the National Academy for State Health Policy (NASHP) Model Act on Anticompetitive Terms in Health Insurance Contracts. However, we believe that the NASHP model was geared towards health care systems. We are not aware of any states that have adopted the NASHP model in its entirety; however, some states have enacted legislation prohibiting some anti-competitive terms in carrier-provider contracts.

The prohibition against “All-or-nothing” clauses,” “Anti-steering” clauses, and “Anti-tiering” clauses, as described in the bill, would help to ensure a competitive marketplace for provider services, which may have a positive impact on consumer choice and premium rates. We think it would make more sense to put the Title 24-A provisions of the bill into Section 4303 of the Health Plan Improvement Act. This section already has provisions relating to the terms of contracts between carriers and providers. As the Committee is aware, there have been some highly contentious contract disputes between providers and health insurers in recent years. Some of these disputes have raised concerns among consumers that they would lose access to their preferred doctors and hospitals.

Although this bill would certainly not solve all the issues that led to these disputes, it would prohibit some anti-competitive provisions from being part of these contracts. The Bureau supports a competitive marketplace where consumers benefit from competition, both among insurance companies and among providers. A market with healthy competition promotes

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choices for consumers and helps limit increases in insurance rates. The provisions that would be prohibited in this bill are provisions that have the opposite effect – limiting consumers' choices and potentially increasing insurance rates.

Thank you for your attention. I am happy to answer questions now or at the work session.

Sincerely,

A handwritten signature in black ink that reads "Robert Carey". The signature is written in a cursive, flowing style.

Robert L. Carey
Superintendent