



Senator Bailey, Representative Matheson, and distinguished members of the HCIFS Committee,

Thank you for the opportunity to provide testimony today in support of LD 1834, a bill that establishes fair and transparent standards for insurers using electronic payment methods to reimburse dental care providers.

My name is Traci Dempsey, I live in Bath, Maine. I president of the Maine Dental Hygienists' Association that represents the nearly 1300 licensed dental hygienists in Maine.

Electronic payment systems, such as virtual credit cards or ACH transfers can be convenient, fast, and secure. However, when these methods impose undisclosed processing fees on providers, they can become a hidden cost that strains dental practices, especially small and community-based offices already working with tight margins.

This bill strikes a fair balance. It does not prohibit the use of electronic payments but ensures three common-sense protections for dental care providers such as transparency where Insurers must inform dental providers of any fees or charges associated with a specific electronic payment method before issuing the payment. This also allows for choice where Insurers must offer at least one fee-free alternative payment method. Finally, this bill allows for consent in that providers must agree to the payment method in question before it is used.

These requirements are not burdensome; they are basic standards of fairness and informed consent. Dental providers should not have to accept reduced reimbursement just to receive timely payment, nor should they be forced into payment systems that erode the value of their services.

For example, virtual credit card payments can carry fees as high as 3% or more. On a \$10,000 reimbursement, that's \$300 is lost, not for providing care, but simply to receive what's already owed. When multiplied across thousands of claims, these fees become a significant cost of doing business without any clear recourse unless legislation like this is enacted.

This bill helps preserve the financial sustainability of dental practices while still allowing insurers to use modern, efficient payment systems, as long as the provider is fully informed and has a meaningful alternative.

I urge you to support this legislation. It respects both innovation and fairness, and it ensures that dental providers can continue to focus on what matters most: delivering high-quality care to their patients.

Thank you for your time, and I am happy to answer any questions.

Thank you,

Traci L. Dempsey, RDH, IPDH
President, Maine Dental Hygienists' Association
Resident of Bath, ME