

Palmer Higgins
Chenmark
LD 1906

Dear Members of the Health Coverage Insurance and Financial Services Committee,

My name is Palmer Higgins, and I am speaking today on behalf of Chenmark, a Maine-based holding company that owns and operates a number of small businesses throughout the state, employing over 100 Mainers. As a business deeply committed to the well-being of our employees and the sustainability of our operations, we strongly support the proposed AUDIT Act. This legislation addresses a fundamental issue faced by employers like us—gaining transparent, meaningful access to the healthcare claims data that we pay for on behalf of our employees.

Chenmark operates a self-funded healthcare plan, which means we bear the financial responsibility for our employees' medical claims. Logically, this should entitle us to full access to our claims data, and the right to audit it for errors, overpayments, or contractual compliance. Yet in practice, we have been unable to conduct a meaningful audit due to restrictive terms imposed by our Third Party Administrator (TPA). These restrictions limit our ability to select an auditor, prevent us from reviewing a statistically significant portion of claims, and deny us access to crucial data under the guise of "proprietary information"—even though federal rules mandate transparency of negotiated rates.

Our fiduciary duty to our employees and their families demands that we be good stewards of plan resources. Without the ability to audit our own claims data, we cannot verify the accuracy of payments or assess whether our TPA is fulfilling its contractual obligations. This lack of oversight exposes us to unnecessary financial waste and legal risk. We urge lawmakers to support the AUDIT Act, which will ensure employers like Chenmark can perform the due diligence necessary to manage healthcare costs responsibly and transparently.