

Testimony of Coralie Giles, RN
President, Maine State Nurses Association
Vice-President, National Nurses United

**In OPPOSITION to LD 1878, “An Act to Establish a Managed Care Program for
MaineCare Services”**

Before the Joint Standing Committee on Health and Human Services
Hearing: May 12, 2025 at 10:00 a.m.

Dear Chair Ingwersen, Chair Meyer, and distinguished members of the Committee on Health and Human Services,

On behalf of more than 4,000 registered nurses and health care professionals providing patient care in our state, **the Maine State Nurses Association/National Nurses Organizing Committee/National Nurses United (MSNA) urges the Committee to oppose LD 1878.**

Contracting with managed care organizations (MCOs) would waste MaineCare funds by diverting money away from patient care and towards profit for unnecessary middlemen.

Common sense tells us that we cannot save money by adding profit for multiple middlemen and duplicative administrative systems. There is no evidence that MaineCare patients are receiving significant amounts of unnecessary healthcare or that MaineCare is overpaying Maine’s strained provider system such that alleged gains in “efficiency” could magically produce equal care for less money. If managed care plans save money at all, it is by denying patients care they need. Indeed, a recent report from the U.S. Department of Health and Human Services Office of Inspector General noted that states that reviewed Medicaid Managed Care Organizations “found inappropriate denials for medically necessary drug therapy, health screening services for children, and inpatient hospital services.”¹

Medicaid managed care organizations show high rates of patient care denials and delays.

By paying private companies a set rate per patient, whether or not that patient receives any medical care, capitation-based payment systems encourage denial of care to patients. The federal Department of Health and Human Services Office of the Inspector General investigated state Medicaid managed care plans and found high numbers and rates of denied prior authorization requests, ineffective oversight of prior authorization denials, and limited access to external

¹ U.S. Department of Health and Human Services Office of the Inspector General, July 2023, *High Rates of Prior Authorization Denials by Some Plans and Limited State Oversight Raise Concerns About Access to Care in Medicaid Managed Care*, OEI-09-19-00350, <https://oig.hhs.gov/oei/reports/OEI-09-19-00350.pdf>.

medical reviews.² Overall, managed care organizations denied one in eight requests for the prior authorization of services, and some denied at much higher rates. Those denial numbers represent patients suffering without the medical care they need and doctors wasting their time fighting with insurance companies for authorization before they can treat their patients.

Rural patients and hospitals are particularly negatively impacted by MCO's closed networks and high denial rates. MCOs operate through closed networks of providers, only covering care from providers contracted with the MCO. Patients can lose access to their doctors if the doctor does not have a contract with the patient's MCO. For rural residents, loss of access to one provider can mean driving long distances to see a covered provider.³ Meanwhile, rural hospitals across the country report that Medicare Advantage plans' frequent denials of prior authorization and reimbursement claims strain their finances, making it harder to keep their doors open and to continue serving patients on those plans, who may not have alternatives.⁴ Medicare Advantage is a capitation-based privatization scheme for Medicare similar to what LD 1878 proposes for MaineCare and effects are likely to be similar or worse, since Maine has fewer oversight resources than the federal government.

Nurses see patients suffer every day because their insurance plans deny them access to the care they need. We do not want to see MaineCare funds wasted on profit for private companies who deny the care our patients need. **We strongly urge you to oppose LD 1878.**

Sincerely,

Handwritten signature of Coralie Giles RN in cursive script.

Coralie (Cokie) Giles, RN
President, Maine State Nurses Association
Vice-President, National Nurses United

² *Id.*

³ Morgenson G, Oct 31, 2023, 'Deny, deny, deny': By rejecting claims, Medicare Advantage plans threaten rural hospitals and patients, say CEOs, NBC News, <https://www.nbcnews.com/health/rejecting-claims-medicare-advantage-rural-hospitals-rcna121012>.

⁴ *Id.* Shaver C, Lambing K, Rantz L, *Medicare Advantage growth and its impact on rural health care*, National Rural Health Association Policy Brief. <https://www.ruralhealth.us/getmedia/44f3c191-6912-49e5-b3bc-03564e3775a6/2024-NRHA-Medicare-Advantage-policy-brief.pdf>.