

Geoffrey Swift
Bates College
LD 1906

Members of the Health Coverage Insurance and Financial Services Committee-

My name is Geoffrey Swift, and I am writing today on behalf of (and as Treasurer of) Bates College, a small private liberal arts college in Lewiston Maine that employs over 1,000 Mainers. As an organization with more than 150 years in our community, we are deeply concerned with the sustainability of our organization, and supporting the health of our community. Providing a robust health care insurance benefit is core to our value proposition as an employer, and fully one in 12 dollars of our expense budget supports employee healthcare.

Bates College strongly supports the proposed AUDIT Act.

This legislation - improving transparency and access to the healthcare claims data that we pay for on behalf of our employees – is critical to understanding the increasing percentage of our expenses that go to employee healthcare.

Bates College self-funds our employee healthcare plan, so we bear the financial risk and responsibility for our employees' medical claims. We should have full access to our claims data, and we should have the right to audit it for errors, overpayments, and contractual compliance. However, we are unable to conduct a meaningful audit due to restrictive, and currently legal, 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 our data as it has been designated "proprietary information"—even though federal rules mandate transparency of negotiated rates.

Our fiduciary duty to our students and to our employees and their families demands that we be good stewards of plan resources to provide the best plan available for our community. 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; with nearly two thirds of our total expenses supporting employees, if we are allocating precious resources to waste this is at the expense of our staff.

We urge lawmakers to support the AUDIT Act, which will ensure employers like Bates College can perform the due diligence necessary to manage healthcare costs responsibly and transparently.

Many thanks for considering this testimony.

Geoffrey Swift
Vice President of Finance and Administration, and Treasurer, Bates College