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Good Afternoon, Senator Bailey, Representative Mathieson, and Members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services.

My name is **Lisa Lucas, DO**, and I am a family physician and owner of a Direct Primary Care practice in Maine.

I am testifying in support of **LD 1980** and believe the proposed **$5 million threshold** represents a meaningful step in the right direction. However, I also believe the bill falls short of a critical opportunity for healthcare innovation and leadership at a time when Maine patients urgently need relief.

I write from the perspective of a primary care physician who helps patients navigate an increasingly complex and unaffordable healthcare system. Healthcare prices in Maine are becoming cost-prohibitive. Many patients are delaying preventive screenings, diagnostic testing, and routine lab work due to cost. Increasingly, we are counseling patients to seek care out of state—either because they cannot access timely appointments within hospital-owned practices or because hospital-based care is simply too expensive. Patients are becoming more informed healthcare consumers and are acutely aware of the substantial cost differences created by facility fees at hospital-owned operating rooms compared to ambulatory surgical centers.

Certificate of Need (CON) laws were originally designed to control healthcare costs and prevent unnecessary duplication of services. However, decades of evidence now demonstrate that CON laws function primarily as barriers to access, competition, and innovation—particularly harming rural and underserved communities. Repealing CON laws is a necessary step to improve access, lower costs, and promote patient-centered care.

Maine's demographics—an older and more rural population—magnify these challenges. We need efficiency, availability, and competition to meet the needs of our communities. CON laws disproportionately favor large healthcare systems by allowing them to block safe, lower-cost alternatives that could serve patients outside of hospital settings. States with CON laws consistently have fewer hospital beds, fewer imaging facilities, and fewer outpatient centers per capita than non-CON states. This leads to longer wait times, reduced patient choice, and delayed care.

As a primary care physician, I have a system-level view of how these policies affect patients. As a Direct Primary Care physician, I am also intimately familiar with the real costs of medical care. I routinely counsel patients on where they can access affordable imaging and procedures. Even physicians employed by large health systems often refer their own patients to independent imaging facilities due to excessive wait times and inflated internal costs. Independent centers reliably offer lower prices. For example, a cash-price MRI may cost approximately **$300 in Florida**, compared to **$900 in Maine**, with insurance-based pricing often triple that amount. Insurance companies have little incentive to advocate for lower prices in this environment. Competition is the only proven mechanism to control costs while maintaining quality.

Access issues extend beyond pricing. Hospital-based specialty groups are increasingly denying referrals for patients who are clearly within their service areas. At the same time, Maine faces an approximately **one-year waitlist for primary care physicians**. Direct Primary Care practices have emerged to fill this gap by operating outside hospital-owned systems, improving access and continuity of care. Hospital systems are now attempting to replicate this model—demonstrating its value—yet CON laws restrict similar innovation for independent surgical specialists. While specialists may open practices, they often cannot offer surgical services because hospitals control operating room access and have little incentive to allocate OR time to independent physicians over their employed staff.

Despite their original intent, CON laws have not been shown to reduce healthcare spending. Instead, reduced competition leads to higher prices, less transparency, and fewer choices for patients. States without CON laws consistently demonstrate lower costs and greater innovation, as providers must compete on quality, efficiency, and patient experience rather than regulatory protection.

We are also witnessing hospitals close essential but lower-margin services such as obstetrics and pediatrics, while simultaneously expanding high-revenue cardiac and orthopedic programs. This misalignment raises serious concerns about whether current regulations truly serve the needs of Maine communities.

Healthcare delivery has evolved dramatically, with a growing emphasis on outpatient care, prevention, and technology-enabled models. CON laws lock Maine into outdated assumptions and inhibit adaptation to modern patient needs. Repeal would foster innovation, accelerate adoption of new technologies, and expand access to care settings that prioritize affordability, convenience, and continuity.

Thank you for your time and consideration. I would be happy to answer any questions.

Respectfully,
Lisa Lucas, DO