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March 5, 2026

Senator Henry Ingwersen, Chair
Representative Michele Meyer, Chair
Of the Joint Committee on Health and Human Services
100 State House Station
Augusta, ME 04333

RE: AHIP Comments on LD 2196, An Act to Lower Health Insurance Costs, Reduce Barriers to Health Care and Ensure Fair Prices for Health Care -- OPPOSE

Dear Chairman Ingwersen, Chairwoman Meyer, and Members of the Joint Committee on Health and Human Services,

America's Health Insurance Plans (AHIP) appreciates the opportunity to provide comments on LD 2196, which among other things, places several restrictions on health plans' administration of prior authorization.

We appreciate the Committee's work to address affordability concerns in Maine, and we agree that health care costs are a significant challenge for consumers and employers. We are concerned, however, that the proposed prior authorization provisions would undermine industry efforts currently underway to address several of these administrative issues. For this reason, and those outlined below, AHIP respectfully opposes LD 2196.

Prior authorization (PA) is an important safeguard used by both public and private payers to help ensure patients receive care that is safe, evidence-based, and affordable – ultimately ensuring Americans' health care dollars are spent wisely. For example, PA protects patients by:

- ***Preventing low-value or inappropriate services.*** PA ensures patients do not receive services that do not improve outcomes and can lead to more unnecessary treatments or services, potential harms, and avoidable costs. PA can ensure that appropriate alternatives are used, consistent with evidence-based guidelines and providers' own recommendations.[1]
- ***Preventing dangerous drug interactions.*** PA helps prevent dangerous drug interactions and ensures medications and treatments are safe, effective, and appropriate for a patient's specific condition.
- ***Ensuring drugs are used as clinically indicated.*** PA acts as a guardrail to ensure that medications are not used for clinical indications other than those approved by the Food and Drug Administration.

Medical knowledge doubles every 73 days[2] and, to keep up with these changes, studies show that primary care providers would need to practice medicine nearly 27 hours per day.[3] This is why it is so important that health plans, providers, and hospitals work together to ensure treatments delivered to patients align with nationally recognized, evidence-based clinical criteria, protecting patients from unnecessary, potentially harmful drugs and services.

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[1] *Prior Authorization Promotes Evidence-Based Care That Is Safe and Affordable for Patients*. AHIP. November 2023.
[2] Densen, Peter. *Challenges and Opportunities Facing Medical Education*. Transactions of the American Clinical and Climatological Association 2011.
[3] Porter J, Boyd C, Skandari MR, Laiteerapong N. *Revisiting the Time Needed to Provide Adult Primary Care*. Journal of General Internal Medicine. January 2023.

While PA is utilized very selectively, the experience often reflects fragmentation and outdated processes that hold back the performance of the health care system. This experience can be frustrating for everyone involved – particularly for patients.

Health Plans Voluntarily Commit to Streamline and Simplify Prior Authorization. In June 2025, health plans announced a series of multi-year voluntary commitments to streamline and simplify the PA process for patients and providers.[4] Simplifying PA means that patients will have faster, more direct access to appropriate treatments and medical services. When providers transition away from antiquated approaches, such as fax machines, these commitments will also enable a more efficient, transparent and modernized experience.

These commitments are being implemented across insurance markets, including those with commercial coverage, Medicare Advantage, and Medicaid managed care, consistent with state and federal regulations. Health plans serving nearly 270 million Americans are participating in this initiative. Through these actions, health plans will deliver a faster, more seamless patient experience and enable providers to focus on patient care, while also helping to modernize the system. Commitments in health plans' initiative include:

- Reducing the Scope of Claims Subject to Prior Authorization
- Ensuring Continuity of Care When Patients Change Plans
- Enhancing Communication and Transparency on Determinations
- Ensuring Medical Review of Non-Approved Requests
- Expanding Real-Time Responses
- Standardizing Electronic Prior Authorization

Health plans' progress will be tracked and aggregated information will be publicly reported starting later this year. More details on these voluntary commitments, as well as a 2024 PA survey of AHIP's members, can be found here.

These commitments address the PA issues in LD 2196. For instance, health plans' commitment to reducing the scope of claims subject to PA may include those relating to chronic conditions, and therefore the PA timeframe requirements under Section 4304-B(2) and (3) would not be necessary. Additionally, plans have voluntarily committed to support continuity of care by honoring a previous health plan's PA for the same service, under the same type of benefit in network for a 90-day transition period when a member changes health plans after starting a course of treatment, which addresses Section 4304-B(4).

Enhanced Federal Prior Authorization Oversight. In addition to plans' voluntary commitments to streamline and simplify the PA process, the Centers for Medicare and Medicaid Services (CMS) adopted new rules[5] in 2024 that implement several new and significant PA requirements for health plans in federal programs.[6] Changes which must be adopted this year include:

- *PA Response Timeframes*: Impacted payers must send a PA decision within 72 hours for expedited or urgent requests and 7 calendar days for standard or non-urgent requests.
- *PA Reason for Denial*: Payers must specify a reason when they deny a PA request in a standardized, interoperable format.

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[4] *Health plans are making voluntary commitments to support patients and providers*. AHIP.
[5] *Advancing Interoperability and Improving Prior Authorization Processes*. Centers for Medicare & Medicaid Services. 89 FR 8758. February 8, 2024.
[6] *Advancing Interoperability and Improving Prior Authorization Processes*. Centers for Medicare & Medicaid Services. 89 FR 8758. February 8, 2024.

- *Electronic Process for Requests and Decisions*: Impacted plans must build a standardized electronic system to communicate to providers when PA is needed, what documentation is necessary, and transmit both requests and decisions.
- *PA Public Reporting*: Impacted payers must annually report PA metrics on the plan's website, including:
    - a list of all items and services that require PA;
    - the percentage of PA requests approved, approved after appeals, and denied, aggregated for all items and services; and
    - the average timeframe between the submission of a PA request and the decision made.

Impacted plans must also build and maintain four new application programming interfaces (APIs) by 2027 to more seamlessly share information with providers and enrollees. These APIs will reduce administrative burdens, enhance efficiency, and promote greater transparency in health care delivery.

Once implemented, the federal rules and associated standards will provide consistency and uniformity to which states can align.

For these reasons, AHIP respectfully requests the Department of Insurance to defer action to allow the industry's voluntarily commitments to move forward and the significant federal standards take full effect without LD 2196 that could impede health plans' progress to ensure successful progress on simplifying prior authorization for patients and providers.

Recommendation: Access to affordable, high quality health care remains a significant challenge for Maine residents, and we are concerned that PA provisions in LD 2196 would not improve affordability or patient experiences. Instead, the legislation would duplicate and potentially conflict with ongoing efforts to simplify and streamline PA for both patients and providers. AHIP strongly urges the Committee not to advance LD 2196.

Thank you for your consideration of these comments. AHIP stands ready and willing to work with policymakers in Maine and we look forward to more opportunities to provide input in this area. If you have any questions or concerns regarding our comments and would like to discuss these matters further, please contact Sarah Lynn Geiger at slgeiger@ahip.org or by phone (609) 605-0748.

Sincerely,

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cc: Members of the Joint Committee on Health and Human Services
Jay Nutting, AHIP Retained Counsel