

MAINE ASSOCIATION
OF
HEALTH PLANS

Testimony of Dan Demeritt 4/24/23
Joint Standing Committee on Health Coverage, Insurance, and Financial Services

**In Support of LD 1533
An Act to Provide Consistent Billing Practices by Health Care Providers**

Senator Bailey, Representative Perry, and Members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services:

My name is Dan Demeritt, the Executive Director of the Maine Association of Health Plans (MeAHP). Our plans include Anthem Blue Cross and Blue Shield, Cigna, CVS / Aetna, Community Health Options, Harvard Pilgrim Health Care, and United Health Care. Our private and non-profit insurance carriers provide or administer health insurance coverage to about 600,000 Maine people. Our mission as an association is to improve the health of Maine people by promoting affordable, safe, and coordinated healthcare.

The National Provider Identifier (NPI) system was developed pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act (HIPAA). HIPAA requires that covered entities (i.e., health plans, health care clearinghouses, and those health care providers who transmit any health information in electronic form in connection with a transaction for which the Secretary of Health and Human Services has adopted a standard) use NPIs in standard transactions.¹

Maine's networks of health care providers have undergone tremendous consolidation and expansion in recent years. MaineHealth completed a consolidation of hospitals in 2018 to become Maine's largest healthcare organization. It characterized the consolidation as an opportunity to bring members into a single organization so "...resources can now flow more easily among various parts of the health care system."²

It is important that accuracy is not shortchanged in the drive for scale and efficiency.

Health care costs and patient outcomes are optimized when care is provided and billed through the appropriate setting. LD 1533 will improve the accuracy of billing and the affordability of health care services by requiring providers to use a distinct NPI for an off-campus outpatient department of a facility and a standardized claims form for professional services.

The members of the Maine Association of Health Plans support this important improvement to health care billing and urge a vote of ought to pass.

¹ <https://www.cms.gov/Regulations-and-Guidance/Administrative-Simplification/Unique-Identifier/UniquelidentifiersFAQs>, accessed 4/23/23

² The Courier-Gazette, 10/29/2018, https://knox.villagesoup.com/news/consolidation-of-local-health-care-groups-finalized/article_c8f24a33-d40e-587f-af59-347b62c99eed.html