



**Testimony of Peter Hayes
to the Joint Standing Committee on Health Coverage, Insurance and Financial Services**

In Support of

LD 1533, An Act to Provide for Consistent Billing Practices by Health Care Providers

April 24, 2023

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

My name is Peter Hayes. I'm the President and CEO of the Healthcare Purchaser Alliance of Maine, and I'm here today to testify in support of LD 1533. The HPA is a nonprofit that represents the purchasers of healthcare in Maine. Our mission is to advance healthcare value and to support and incentivize high-quality, affordable care. We have over 60 members, including some of the largest public and private employers and health trusts in Maine. Collectively, our members spend over a billion dollars annually providing health care for nearly one quarter of the commercially insured population in the state.

Maine's healthcare market is very consolidated, with many hospitals and physician offices owned or affiliated with a handful of large health systems. These horizontally and vertically integrated markets can sometimes result in surprises for patients, who may receive medical treatment at an outpatient facility in one town and receive a bill based on rates from a hospital that's located in a different town miles away. And the price charged by that other hospital may be significantly higher than the price that would have been charged by the local outpatient facility that actually delivered the service. Moreover, this practice completely obfuscates the new federal mandates regarding hospital price transparency, which require hospitals to publish machine readable files of their prices. When a hospital is able to bill for services under a different hospital's provider identifier, those published prices can become irrelevant.

Simply buying or merging an outpatient facility into a larger health system should not give that system carte blanche to raise the facility's rates to mirror the higher rates charged at other system locations—particularly if such rates incorporate facility fees that should only be charged for services provided in hospital settings. Nor should patients be billed rates based on a more expensive site of care located miles away from where they actually received their care.

LD 1533 would curb this practice by requiring off-campus outpatient facilities associated with a health system to obtain their own unique NPI (National Provider Identifier) and to bill for services delivered at that facility using that unique NPI—not the NPI of another system-affiliated site, including the system's flagship hospital. Moreover, a bill from that facility should use the standardized claims form for professional services, and not include facility fees that the health system may legitimately levy for services provided at their hospitals, but not at off-campus outpatient departments located nowhere near a hospital.



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I would point out that, as drafted, it's not clear whether an outpatient facility that is on the same campus as one hospital in a system would be considered an "off-campus outpatient department of a facility" of other hospitals in the system. I believe the sponsor's intent is that such a facility would be "off-campus" for all other system hospitals, so that may need to be further clarified if the committee opts to move forward with LD 1533. I'd also note that, in some instances, off-campus facilities may provide ambulatory surgical care that is typically billed by independent ambulatory surgical centers on a facility claim form (the UB-02). If the committee proceeds with this bill, it should consider language that would allow billing by hospital-owned off-campus ambulatory surgical centers in a manner consistent with how such services are billed by non-hospital owned ambulatory surgical centers.

Thank you for the opportunity to share HPA's feedback on LD 1533 and thank you to Representative Morris for bringing this bill forward. I'd be happy to answer any questions and will be available for the work session.