

Testimony of Jake Lachance

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Before the Joint Standing Committee on Health Coverage, Insurance, and Financial Services

In Opposition to LD 784, "An Act to Require Health Insurance Coverage for Specialized Risk Screening for First Responders"

Sen. Bailey, Rep. Gramlich, and members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services, my name is Jake Lachance, and I am a Government Relations Specialist for the Maine State Chamber of Commerce, which advocates for over 5,000 large and small businesses across the State of Maine. I am here to respectfully submit this testimony in opposition to LD 784, "An Act to Require Health Insurance Coverage for Specialized Risk Screening for First Responders."

While we recognize and deeply appreciate the invaluable contributions of Maine's first responders, we have serious concerns about the potential unintended consequences of this legislation for businesses, health insurance carriers, and the broader healthcare system.

Concerns with LD 784:

1. **Burden on Private Health Insurance** – LD 784 places the financial responsibility of occupational health screenings on private health insurance rather than on the government entities that employ first responders. Under Maine's workers' compensation framework, first responders—including volunteers—are already classified as employees of the governmental entities they serve. This bill shifts the cost burden from the appropriate public system to private insurance, which is not designed for this purpose.
2. **Increased Costs for Employers and the State** – The bill mandates coverage of specialized risk screenings without cost-sharing, which will inevitably drive-up premium costs for all employers who provide private health insurance. Additionally, the bill may require the State to cover increased subsidy costs in the individual market under the Affordable Care Act's defrayal requirements. Yet, a mandated benefit study has not been conducted to assess the true fiscal impact of this legislation.
3. **No Mechanism for Cost Control** – Health insurance carriers will have limited ability to manage costs through medical review, as prior authorization will only be allowed to verify first responder status. This restriction removes an essential tool used by insurers to prevent unnecessary or excessive utilization, further increasing costs.
4. **Legal and Regulatory Uncertainty** – There is a lack of clarity on whether private health plans can legally extend benefits based on occupation rather than universally to all covered individuals. If such differentiation is permitted, it may create pressure to extend similar benefits to all individuals covered under a plan, leading to broader financial and administrative implications.

5. **Challenges in Claims Identification and Administration** – Even if insurers are required to cover these screenings, there is no clear mechanism to identify and separate claims from first responders versus other plan members. This absence of coding or tracking mechanisms complicates administration and compliance, leading to potential inefficiencies and increased costs.
6. **Maine Would Be an Outlier** – The Bureau of Insurance has previously noted that no other state requires private health insurance to provide this type of coverage for public safety employees. Implementing this policy would make Maine an outlier and could set a precedent for additional mandated benefits that may further increase costs for employers and taxpayers.

Recommendation:

We strongly urge you to vote Ought Not to Pass on this proposed legislation, but if a majority of the Committee is interested in pursuing LD 784, we feel as though a formal mandated benefit study to fully understand the economic impact of this proposal on Maine's businesses, insurers, and taxpayers would be appropriate. We also encourage exploring alternative solutions, such as funding these screenings through public health initiatives or dedicated first responder wellness programs, rather than placing this burden on private health insurance markets.

The Maine State Chamber of Commerce appreciates the opportunity to provide this testimony and looks forward to continued dialogue on how best to support our first responders without unduly burdening Maine's business community and healthcare system.

Thank you for your time and consideration.