



Maine Hospital Association

MAINE'S LEADING
VOICE FOR HEALTHCARE

TESTIMONY OF THE MAINE HOSPITAL ASSOCIATION

In Opposition To

LD 1512 - *An Act to Protect Patients from Health Care Discrimination and Guarantee Access to the Lowest Available Cost for Care*

April 24, 2025

Senator Bailey, Representative Mathieson and members of the Health Coverage, Insurance and Financial Services Committee, my name is Jeffrey Austin and I am here on behalf of the Maine Hospital Association in opposition to parts of LD 1512.

Our concern is with sub-section 5 of proposed section 1718-K (lines 30-40).

This section is rate setting for the uninsured. We oppose the state engaging in rate setting.

It states that uninsured individuals must be offered services at the Medicare rate. The Medicare rate for hospitals is often below-cost. Regardless, even if the rate were above cost, we oppose the state engaging in rate setting in the private market.

The state has a mandatory charity care obligation for hospitals (and only hospitals). In that context, the state has engaged in rate setting – the rate is set at \$0 – and we accept the state's current charity care policy. However, the state's charity care mandate is applied based upon a patient's income, not insured status.

While unusual, it does happen that wealthy individuals are uninsured. The state should not set rates that disadvantage providers for the benefit of wealthy individuals who happen to be uninsured.

Another concern is that some creative financial minds might figure out ways to take advantage of this "uninsured" rate cap of the Medicare rate. That is, an employer might drop commercial coverage and keep their employees technically uninsured but then have a reimbursement

mechanism for the employee share of costs behind-the-scenes. The difference between the Medicare rate and the commercial rate would tempt such creativity.

The federal government sets rates in Medicare; the state government sets rates for Medicaid and the state sets rates for everyone eligible for charity care (again at \$0). That is roughly 65% of our caseload. We oppose further state rate setting for hospitals.

With respect to **sub-section 4** (itemized bills) on lines 24 to 29, we would request an exemption for hospitals. Hospitals already have an itemized bill requirement in 22 MRSA §1712.

We have no objection to **sub-section 3**.

We are unsure of our position on **sub-section 2**. I am not aware of any situations where hospitals would have been in violation of subsection 2. I don't think we object because we basically accept all patients regardless of ability to pay. But, there are some service lines (e.g. cosmetic plastic surgery) that are not medically necessary and not eligible for free care. We're not sure how this provision impacts such lines of service.

Furthermore, our concern with sub-section 2 is whether it prohibits providers from refusing to contract with a carrier (e.g., going out-of-network). I don't think that is the intent, but it could possibly be read that way. For example, if a provider is out-of-network and the patient wants to use his/her insurance card. We would not refuse to treat the patient, but we would refuse the method of payment the patient prefers. If that were to happen, would the provider be in violation of the law? Again, I don't think that is what the section is intended to do, but some clarifying language might help.

2. Discrimination based on method of payment prohibited. A health care entity may not deny a health care service or treatment, or refuse to continue to provide a health care service or treatment, to a patient based on a determination or assumption by the health care entity about the patient's insured status or method of payment, including but not limited to whether the patient is a self-pay patient, is uninsured, is insured under an individual policy, is insured under a group policy or is covered under an employer's self-insured health plan. This section may not be interpreted to mean that a provider may not refuse to provide treat a patient if the patient insists on using an insurance product that is not accepted by the provider.

We fully support **sub-section 1**.

Thank you for accepting this testimony from the Maine Hospital Association.