



Testimony in Support of

LD 1713 An Act to Prohibit Certain Provisions in Health Care Provider Contracts
with Insurance Carriers

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Senator Bailey and Representative Mathieson and distinguished members of the Health Coverage, Insurance and Financial Services Committee, my name is Kim Cook and I am an attorney with Government Strategies, testifying in support of LD 1713 on behalf of Community Health Options. Community Health Options is Maine's nonprofit CO-OP health insurance company and exists for the benefit of its Members and its mission which is to provide affordable, high-quality benefits that promote health and wellbeing.

Community Health Options partners with a broad network of providers. We strive to ensure our processes are as seamless as possible, to be responsive to questions and concerns, and to contract with providers in a fair and reasonable manner. LD 1713 seeks to ensure that health plans have the flexibility to design networks and contract with providers in a way that ensures a fair deal for providers while keeping premiums as low as possible for our members. In particular, this bill would ensure that carriers have the ability to design and tier our network to promote value and to provide incentives to our members for seeking quality health care at lower cost settings.

We offer tiered networks on some of our plans with providers being classified as either Standard or Preferred. Preferred providers are those that offer high quality care at a lower cost than their peers in the same specialty or sub-specialty. Members who choose to go to a preferred provider have lower out-of-pocket costs than a standard provider. Tiering allows our members to select a provider of high quality and lower cost, helping them to control their out-of-pocket costs and helping Community Health Options offer lower premiums.

We also “steer” members to lower cost and high-quality providers through member incentives. An example is our Site of Care program for certain infusions. Infusions done in the hospital can cost thousands of dollars, while an infusion done in a practice or home-setting costs much less, with no difference in clinical outcomes. For members that choose to switch their infusions to a lower cost setting, we provide financial incentives directly to the members. This helps our members make informed decisions, save money, and helps keep premiums low and competitive for all our members. Our health plans have saved nearly \$8 million since 2019 through this program.

In closing, we urge the committee to support LD 1713. It will ensure health plans can build provider networks that incentive high-quality and lower cost care.