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Testimony in Opposition to LD 1589
An Act to Improve Parity in Insurance Coverage for Outpatient Counseling Services in Maine
April 30, 2025

Senator Bailey, Representative Mathieson, and Members of the Health Coverage, Insurance, and Financial Services Committee.

My name is Dan Demeritt, the Executive Director of the Maine Association of Health Plans. Insurance coverages offered or administered by our member plans provide access to care and better outcomes for many of the Mainers who receive coverage through an employer plan or the individual market.

L.D. 1589 is a provider mandate that would require health plans to provide coverage for any and all outpatient counseling services provided by counseling professionals regardless of whether or not services are covered services under the plan. The bill would also mandate reimbursement rates at 150% of MaineCare for services, require provider parity, and prohibit the use of prior authorization or referral requirements as a condition of coverage.

Coverage for mental and behavioral health services is already required as Essential Health Benefits under the Affordable Care Act and as mandated in state law. Nevertheless, we oppose the bill because the following measures undermine health plan efforts to provide members with access to high-value mental and behavioral health care and are at odds with the work plans do to keep health insurance coverage affordable for Maine employers and consumers.

Specific Concerns with the L.D. 1589

Repeal of Sub-Section 2 in Affected Statutes: The repeal of sub-section 2 and the language of the new sub-section 2-A in the affected statues would require health plans to pay for all services rendered without consideration of plan coverage or medically necessity.[1]

Sub-Paragraph A-E Concerns: The "Coverage of Outpatient Counseling Services; reimbursement and participation" paragraph repeats throughout the bill with sub-paragraphs A-E.[2] We have the following concerns.

A – Provider Mandate for Ancillary Mental and Behavioral Health Practitioners: Health plans are already delivering 76% of their mental and behavioral health services on a payment basis through outpatient and telehealth settings. Their networks of practitioners currently include some or even all the listed licensed ancillary practitioners listed in this subparagraph.

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[1] Please see LD 1589 Secs 1 & 2, Secs 5 & 6, and Sec 9

[2] Please see LD 1589, Secs 4, 8, & 10

Nevertheless, health plans should have the on-going flexibility to make their own determinations about the practitioners they need to credential and add to their networks to deliver medically necessary care.

B – Rate Setting at 150% of MaineCare: There are many factors that go into a fair, reasonable, and equitable charge for health care services. Mandating reimbursement rates in legislation inflates the cost of health care. Reimbursement rates should remain within the contracting process between the provider and the health plan.

C – Provider Parity: Fee structures can and should vary among providers based on patient outcomes, professional credentials, scope of practice, market availability, and an economic analysis that seeks to balance fair provider compensation with controlling health coverage costs.

D – Prohibition on Prior Authorization or Referral Requirements: Carriers need utilization management tools to meet their obligations to protect their members and provide them with access to high value care that leads to progress and better outcomes.

E. Network Adequacy: This provision is not necessary as carriers are already subject to Bureau of Insurance oversight regarding network adequacy requirements.

On the next page, I share three-year context on mental and behavioral health services from the Maine Health Data Organization.

Thank you for your consideration. We urge the Committee to vote Ought Not to Pass.

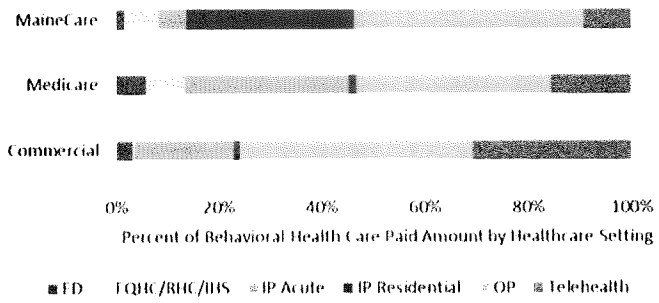
MHDO Report – Behavioral Health Services Utilization, Spending, and Member Savings
The Maine Health Data Organization (MHDO) *2025 Annual Report on Maine Behavioral Health Care Spending, 2021-2023* provides three-year insights into how commercial insurers are paying for and delivering behavioral health services in Maine.[3] The data show that utilization has been consistent, spending on claims has increased, and consumer cost shares are declining.

Commercial Claims Behavioral Health (BH) Metric	2021	2022	2023
% of Members Utilizing BH (p.12)	17%	17%	17%
BH Care Claims (p.6)	$153M	$171M	$178M
BH Cost Share Split % (p.16) Insurer / Consumer - Supplemental	78/22%	79/21%	81/19%

Networks of Credentialed Outpatient and Telehealth Providers
Health insurance carriers maintain networks of credentialed providers offering a wide array of different treatment modalities, including outpatient and telehealth services, to deliver high value mental and behavioral health services to members.

As the MHDO data shows, commercial payers already deliver a higher percentage of their payments through outpatient (45%) and telehealth (31%) than either MaineCare or Medicare.

Figure 3. Percent Behavioral Health Care Payments of Total Medical Claims Paid Amount, by Healthcare Setting and Payor, 2023



Data Source: MHDO 2023 APCD claims data and USM MaineCare data repository (includes SUD). Non-claims and supplemental SUD non-claims payments from Commercial and Medicare Advantage are not included. Crisis services are excluded from this analysis.

ED = Emergency Department
FQHC/RHC = Federally Qualified Healthcare Center/Rural Health Center/ Indian Health Service
IP Acute = Inpatient Acute
IP Residential = Inpatient Residential
OP = Outpatient

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[3] https://mhdo.maine.gov/_mqfdocs/MQF%202025%20BH%20Spending%20Report_250310.pdf