



Meg Garratt-Reed, Executive Director
Office of Affordable Health Care

May 12th, 2025
Senator Henry Ingwersen
Representative Michele Meyer
Members of the Joint Standing Committee on Health and Human Services
Cross Building, Room 209
100 State House Station
Augusta, ME 04333

Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services;

I am Meg Garratt-Reed, Executive Director of the Office of Affordable Health Care.

Thank you for the opportunity to share thoughts on LD 1937. I encourage the committee to support this effort to make hospital free care more understandable and accessible to eligible patients.

The Office has held two annual public hearings since our inception. Our most recent hearing took place in September 2024. The hearings serve as an opportunity for the Office to present on cost trends and barriers to affordable health care, and to allow members of the public to share input. Stakeholders and the public were invited to attend and speak in person, or to submit written comments to the Office. During our hearing this past fall, multiple speakers raised issues with access to hospital free care, including two Community Health Workers who shared specific experiences encountering barriers to navigating hospital programs when assisting patients. In particular, they cited absent or incorrect guidance about which services were covered by free care; lack of available information about free care policies, including translated materials and applications; and incorrect billing statements. Both speakers noted that increased clarity about free care could help more families avoid taking on medical debt, which is a growing challenge for Maine households.¹

Hospital free and discounted care programs fill a critical gap for Maine people who would otherwise be financially devastated by the cost of receiving care. While Maine's rate of uninsurance has decreased in recent years, gaps remain that pose significant affordability barriers for consumers. According to 2023 census data, about 6% of Maine's population remains

¹ *Examining Voters' Views Towards Health Care in Maine*, March 2025. <https://drive.google.com/file/d/1of-aZWztHbCJDGZODeqoWEVvYcokHw41/view>

uninsured, roughly 80,000 individuals.² More than 17,000 of those people have income levels falling below 138%, the threshold under which adults are generally eligible for MaineCare. The remaining 63,000 people have higher incomes and may be uninsured due to cost or administrative friction.³ Additionally, even Maine residents with insurance face affordability barriers when accessing care in the form of unaffordable out-of-pocket costs. A study conducted by the Urban Institute estimates that middle income Mainers - making between 200 – 400% of the federal poverty level - contribute the largest share of household spending (13% on average) to health care expenses. The study also estimates that out-of-pocket costs represent almost half of total health care spending by Mainers with insurance through a job.⁴

Importantly, according to data submitted by hospitals to the Maine Health Data Organization, total charity care expenses by Maine hospitals declined by 20% between 2019 and 2023, or about \$26 million. During that same period, bad debt expenses also declined by 2%, or roughly \$8 million. These figures are statewide and therefore do not account for variations in the provision of uncompensated care at individual hospitals, but a possible explanation for the statewide trend could be that the significant expansions of coverage in Maine in the last decade have succeeded in reducing the burden of uncompensated care on hospitals in aggregate.

Maine is one of nineteen states that have already established hospital free care requirements that provide greater specificity than federal statute.⁵ In light of changes in the coverage status of the state's population, however, and in response to the increasing issue of medical debt among households with insurance, it is appropriate to revisit those standards with a focus on reducing barriers to health care access for Maine people. In particular, the Office supports provisions of this bill that would require simpler and more streamlined application processes and standardize minimum eligibility standards across hospitals.

Thank you for your attention to this issue and the opportunity to comment.

Sincerely,



Meg Garratt-Reed, Executive Director
Office of Affordable Health Care

² U.S. Census Bureau. "Selected Characteristics of Health Insurance Coverage in the United States." *American Community Survey, ACS 1-Year Estimates Subject Tables, Table S2701*, 2023.
<https://data.census.gov/table/ACSST1Y2023.S2701?g=040XX00US23>

³ Ibid.

⁴ Buettgens, M., Banthin J., Akel, M., and Simpson, M. (2024). An Overview of Health Coverage and Costs in Maine for 2025. Urban Institute. <https://www.urban.org/sites/default/files/2024-02/An%20Overview%20of%20Health%20Coverage%20and%20Costs%20in%20Maine%20for%202025.pdf>

⁵ The Commonwealth Fund. "State Protections Against Medical Debt: A Look at Policies Across the U.S.," September 2023. <https://www.commonwealthfund.org/publications/fund-reports/2023/sep/state-protections-medical-debt-policies-across-us>