



Advocating the right to quality,  
affordable health care for all Mainers.

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### **Testimony In Support of:**

## **LD 1937, An Act to Require Hospitals and Hospital-affiliated Providers to Provide Financial Assistance Programs for Medical Care May 12, 2025**

Senator Ingwersen, Representative Meyer, and esteemed members of the Joint Standing Committee on Health and Human Services, thank you for the opportunity to provide this testimony in support of LD 1937, An Act to Require Hospitals and Hospital-affiliated Providers to Provide Financial Assistance Programs for Medical Care.

My name is Kate Ende, and I am the Policy Director at Consumers for Affordable Health Care, a nonpartisan, nonprofit organization that advocates the right to quality, affordable health care for every person in Maine. As designated by Maine's Attorney General, CAHC serves as Maine's Health Insurance Consumer Assistance Program (CAP), which operates a toll-free HelpLine. Our HelpLine fielded nearly 7,300 calls and emails last year from people across Maine who needed help obtaining, keeping, using, or fixing problems with private health insurance or with accessing or affording health care services. CAHC also serves as the Ombudsman program for Maine's Medicaid program, MaineCare, and helps people apply for and navigate the enrollment process for MaineCare. It is with that background that we provide these comments.

As you've previously heard, this bill is the end result of hours of negotiations between consumer advocates and hospitals and is the final compromise that we all agreed to last year. Unfortunately, due to the unprecedented procedural issues at the end of last session, the final bill was not enacted, despite having been passed in both the House and Senate and funded off the Appropriations "table." We hope you will build on all the good work that was done last session by supporting LD 1937.

Through our HelpLine, we frequently hear from people who are struggling to afford their medical bills and health care. Results from a survey released earlier this year show that these affordability barriers are widespread across Maine. In fact, nearly half of Mainers reported experiencing discomfort or pain for longer than they needed to, due to high healthcare costs and more than one-third of Mainers reported that they delayed or skipped going to the doctor when they were sick, due to high healthcare costs.

Additionally, when Mainers do access care, many struggle to pay their medical bills, and often end up in debt.

- Nearly half of Maine households have medical debt and one in three Mainers struggled to pay for basic necessities, such as food, heat, or housing, within the past two years as a result of a medical bill. Among those who struggled to pay for basic necessities, 70% reported they experienced this hardship as the result of a hospital bill.

- Nearly one in three Mainers have been contacted by a collection agency about a medical bill within the past two years, of which 85% said the medical bill that was sent to collections was from a hospital.<sup>1</sup>

It is clear Mainers are struggling to afford the health care services they need, particularly hospital services. This bill makes several changes to improve the affordability of hospital services for Maine people.

Non-profit hospitals in Maine are required to provide free medically necessary care to people with incomes up to 150% of the federal poverty level (FPL). For many who don't have access to affordable health insurance, hospital free care programs are their only source of affordable care. Many other Mainers, including working families, have private health insurance through an employer or the Marketplace, but may be underinsured with high deductibles that are over \$9,000. Hospital free care programs play a critical role in helping Mainers afford the health care they need. It is unfortunate, however, that many people are unaware of these programs or face barriers applying for Free Care, with over half of Mainers who have taken on debt due to a hospital bill reporting not being aware that Maine hospitals are required to provide medically necessary care for free to those who meet certain income guidelines.<sup>2</sup>

**Ensuring Adequate Notice:** Many people who are eligible for hospital financial assistance are not aware that assistance programs exist. In fact, data from a survey released earlier this year shows that more than half of Mainers with hospital-related medical debt were not aware that Maine hospitals are required to provide medically necessary care for free to Mainers who meet certain income guidelines.<sup>3</sup> Unfortunately, by the time some people become aware of hospital free care programs, they may have already missed their application window to apply. This bill requires hospitals to widely publicize information about their financial assistance programs and to provide written notice about the availability of free care to all patients.

**Reducing Application Barriers:** This bill makes several changes to simplify the application process for hospital free care programs, including prohibiting notarization requirements and prohibiting hospitals from requiring information about assets or sources of income that are not counted for purposes of eligibility. The bill also requires hospitals to provide an online option for people to apply, in addition to accepting paper applications.

**Reducing Surprise Billing:** Even people who are approved for free care still face affordability challenges and some receive unexpected bills for services not covered by the program, even when care was provided by the hospital or in a hospital-based facility. These exclusions create significant confusion for patients who receive bills for services they thought would be covered by free care. This bill would require a hospital to inform a patient who has been approved for free care if a service being provided at the hospital will not be covered by free care. This is

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<sup>1</sup> Examining Voters' Views Towards Health Care in Maine; Consumers for Affordable Health Care, March 2025.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

similar to the protection that is already in place for MaineCare members, which prohibits providers from billing MaineCare members for services not covered by MaineCare, unless the provider informed the member ahead of time that the service would not be covered.

**Expanding Income Eligibility:** As mentioned previously, under existing state law, non-profit hospitals in Maine must provide free medically necessary care to people with incomes up to 150% FPL. Many hospitals already provide free or sliding-scale care above this threshold, but it is inconsistent throughout the state. This bill will ensure that Maine people with incomes up to 200% of FPL are able to access free medically necessary hospital care, regardless of where in Maine they live.

It is worth noting that Maine’s hospital free care statute has not been updated since it was enacted in 1995. However, over nearly three decades since the statute was adopted, Maine’s health coverage landscape has changed dramatically. For example, more people in Maine now have health insurance coverage. Today, coverage programs, such as subsidized Marketplace plans and the implementation of Medicaid expansion, help thousands of Maine people access health insurance. According to data published by the National Academy of State Health Policy (NASHP), net charity care measured as a percentage of net patient revenue has decreased at almost all hospitals in Maine between 2018 (before Medicaid expansion took effect) and 2023.<sup>4</sup> As you can see, the net charity care provided by hospitals make up an extremely small portion of their overall net patient revenue. As non-profits, hospitals have an obligation to provide community benefits, including free care, to low-income Mainers. It is clear it is time to update the requirements of the free care program to reflect the current landscape in Maine and better meet the needs of Maine people.

**Net Charity Care as % of Net Patient Revenue<sup>5 6</sup>**

<b>Hospital</b>	<b>2018 (pre-Medicaid expansion)</b>	<b>2023</b>
Calais Regional	1.4%	0.2%
Downeast Community Hospital	3.5%	0.3%
Cary Medical Center	2.5%	0.5%
Houlton Regional Hospital	1.7%	0.3%
MaineGeneral Medical Center	0.7%	-0.1%
Millinocket Regional Hospital	2.2%	0.7%
Mount Desert Island	1.4%	0.2%
Northern Maine Medical Center	0.6%	0.0%
Penobscot Valley Hospital	2.4%	0.7%

<sup>4</sup> <https://tool.nashp.org/>

<sup>5</sup> Net Charity Care as % of Net Patient Revenue: Percentage of Net Patient Revenue received that the hospital applied to cover the costs of charity care patients.

Net Charity Care Cost as % of Net Patient Revenue = Net Charity Care Cost ÷ Net Patient Revenue

Net Charity Care Cost: Portion of Hospital Operating Costs to provide patient care under the hospital's Charity Care policy minus charity care patient payments and restricted grant funds received.

<sup>6</sup> Data was not available for Spring Harbor Hospital or Acadia Hospital.

Redington-Fairview General Hospital	2.3%	0.3%
St. Joseph Hospital	1.3%	1.3%
St. Mary's Regional Hospital	2.6%	1.5%
York Hospital	0.8%	-0.01%
<b>Central Maine Healthcare System</b>		
Bridgton Hospital	1.3%	0.2%
Central Maine Medical Center	1.5%	0.3%
Rumford Hospital	1.2%	0.1%
<b>Northern Light System</b>		
A.R. Gould Hospital (formerly The Aroostook Medical Center)	1.1%	0.1%
Blue Hill Hospital	1.2%	0.1%
C.A. Dean Hospital	1.4%	0.02%
Eastern Maine Medical Center	1.2%	0.8%
Inland Hospital	1.6%	-0.2%
Maine Coast Hospital	0.6%	0.2%
Mayo Hospital	2.6%	0.4%
Mercy Hospital	2.3%	0.8%
Sebasticook Valley Hospital	2.5%	0.1%
<b>MaineHealth System</b>		
Franklin Memorial Hospital	2%	1.0%
PenBay Medical Center	1.7%	1.3%
Lincoln Health	1.9%	1.7%
Maine Medical Center	1.4%	1.9%
Mid Cost Hospital	0.8%	1.1%
Stephens Memorial Hospital	1.5%	1.5%
Waldo County General Hospital	2.6%	1.1%
SMHC Medical Center Biddeford	1.8%	1.6%

**Ensuring Affordable Payment Plans:** There are many people who are over the income limits for hospital free care programs, but who also are unable to afford their hospital bills. As mentioned previously, private insurance deductibles can be over \$9,000 for an individual and over \$18,000 for a family. Most Mainers cannot pay thousands of dollars for an unexpected medical bill without significant financial hardship.

While most hospitals offer payment plans, some only allow payments to be made under these plans over a six-month period. This often results in very high monthly payment amounts that are more than people can afford to pay. Through our HelpLine, we often hear from Mainers who are struggling to afford a monthly payment plan for hospital debt, or who have been sent to collections or have had to take on significant credit card debt to pay for their hospital bills.

This bill will strengthen consumer protections by requiring hospitals to offer patients with incomes at or below 400% FPL affordable payment plans with monthly payment amounts that do not exceed 3% of their monthly income. This will help to ensure people can pay their medical bills without jeopardizing their family's financial stability or ability to access food, housing, or other basic necessities.

This bill, which again, is a compromise that both consumer advocates and hospitals agreed to last year, will take significant steps to ease the burden of unaffordable hospital bills for thousands of Mainers. For this reason, I strongly urge you to vote ought to pass on LD 1937. Thank you and I am happy to answer any questions.