

Good afternoon, Senator Bailey, Representative Mathieson and distinguished members of the committee. I am Dr. Stephen Arsenault, Doctor of Chiropractic, with 27 years in practice.

The Maine Chiropractic Association introduced this bill, LD1785; however, this is NOT a Chiropractic bill. It represents all small independent providers and disciplines within the state. This is not a bill to enrich the already successful but seeks to ensure the continued operation of these small businesses, and, by extension, provide for the patients we collectively serve.

- The last increase to providers' fee schedules was in 2012.
- Cumulative CPI to date is 37.5%, and the projected 2025 cumulative CPI is a 6-8% increase before tariffs, resulting in 43.5% by the end of 2025. This is almost half of what I earned in 2012.

This has significant effects on day-to-day operations, payroll, ability to extend benefits, compete for resources, and grow a practice.

Evergreen contracts are contracts that are automatically renewed each year. All providers are *required* to sign these contracts in order to participate in the present insurance model. In evergreen contracts, carriers are not obligated to renegotiate contracts or negotiate rate fees in good faith but are dictated *their* fee schedule, and doctors are not able to change rates above that fee schedule.

Everyone is used to the rising costs of healthcare, and every year insurance carriers pass on the costs to the consumer. Providers, however, are prevented from passing on costs

to the consumer via their contracts and have been absorbing the costs of inflation through increased operating costs. All the while insurance companies are posting record profits, which is not in the best interest of the American consumer and is unsustainable.

Oligopoly is a market structure where a few large firms control the market and can influence prices and outputs. Oligopolies, of which the health care system is one, typically have price setters and price takers. Free markets occur where many participants are in the market, and market dynamics correct inequities within the market. Anything less than a free-market market structure *requires* public protections, and currently there are none. This problem is the direct result.

This is why we are here: we need protections. The system is broken, and we need your help. This is not hyperbole. We are past the time where we should have acted.

Increasing numbers of providers are turning to cash practice structures (50% of which fail). Doctors are retiring early due to discontent, and new doctors are not choosing to practice in Maine as they will have difficulty with paying back student loans—let alone to building their practices.

We are on the cusp of a collapse of the independent provider in this state.

Thank you for your time and I look forward to your questions.