



Testimony in Support of

LD 1785, An Act to Encourage Competition by Requiring Independent Health Care Provider Cost-of-living Adjustments in Health Insurance Contracts

Senator Bailey, Representative Mathieson and Honorable Members of the HCIFS Committee.

My name is Gwen Simons. I am a PT and healthcare attorney from Scarborough and the lobbyist for Maine Chapter of the American Physical Therapy Association ("MEAPTA"). The Maine APTA represents over 2500 physical therapists (PTs) and physical therapist assistants (PTAs) in Maine. **MEAPTA asks you to vote "Ought to Pass" on LD 1785, An Act to Encourage Competition by Requiring Independent Health Care Provider Cost-of-living Adjustments in Health Insurance Contracts**

We would not be asking you to intervene in what *should be* a business negotiation if the carriers were not using their market power to force predatory reimbursement fees on small independent providers. Private practices have not had an increase in reimbursement in 20 years despite the cumulative inflation increase being over 50% for that same period of time. When providers ask for an increase, they are told to "take it or leave it." Providers who have been serving their communities for 20 years don't want to have to go out of network, but it is becoming a necessity.

In the last 15 years of representing PTs in my law practice, I've only seen 2 carriers negotiate with a couple of large providers who were in an area where the carrier needed the provider. Even then, the carrier only offered ~\$5-10 more per visit for the initial contract with no increases in the subsequent 10 years.

Our private practices are in crisis. Private practices are having to do other things to make ends meet - like selling supplements, offering exercise classes and trying to develop YouTube exercise channels that get enough clicks to earn ad revenue. A private practitioner, in business 20+ years, was in tears in my office just last week saying she could make more money if she closed her office and just rented out her space to some other business. Many of these long-standing practices are going out of network or out of business. The trends are alarming.

In the last 15 years, my law practice has represented ~53 in-network practices. In the last 10 years, 9 have sold and 18 have just closed their doors. Of the new start-up practices I've worked with, only 5 have chosen to contract with carriers while 35 have elected to stay out of network completely.

The carriers and the Health Purchasers Alliance are going to testify that this bill should not pass because it will increase the cost of health care. They are not considering the costs of these independent practices going out of business or out of network. We find this insulting when every year these carriers go to the Bureau of Insurance to ask for premium increases, blaming the need

for increases on the increased costs of healthcare *when we are not getting any of increases at all*, yet their profits are increasing by billions of dollars (more than 10%) every year.^{1,2,3,4}

We need our private practices to stay in business and in-network for consumers to have adequate access to low cost PT services. The cost for the same services at most hospitals is much higher. For example, in the Sanford/Springvale area, there are 3 long-standing private practices, 2 new national corporate clinics and a MaineHealth clinic. The cost of a typical visit at MaineHealth (2 units of CPT code 97140 and 2 units of CPT code 97530) is \$524⁵ – whereas the private practice range is ~\$100-150 (depending on which carrier). (We don't know what the large national corporations get paid, but they have much more negotiating power than the independently owned practices.) More importantly, every clinic has a waiting list in this area so we need *all* of these practices to survive to meet the needs of the community.

In summary, our private PT practices need LD 1785 to pass to stay in business. If the carriers would negotiate with us on fair terms, we would not be asking for your help. **Please vote “Ought to Pass” on LD 1785.**

¹ United Health Group first quarter report – revenue increased from \$75.4 to \$84.6 billion (12%), <https://www.unitedhealthgroup.com/newsroom/2025/2025-04-17-uhg-reports-first-quarter-results-and-revises-full-year-guidance.html>

² CVS Health (Aetna) first quarter report – health care benefits segment rev increased from \$32.2 to \$34.8 (8%) <https://www.cvshealth.com/news/company-news/cvs-health-corporation-reports-first-quarter-2025-results-and-updates-full-year-2025.html>

³ Cigna first quarter report – increase from \$57.3 to \$65.5 billion (14%), <https://newsroom.thecignagroup.com/2025-05-02-The-Cigna-Group-Reports-Strong-First-Quarter-2025-Results,-Raises-2025-Outlook>

⁴ Elevance Health Reports First Quarter 2025 Results, <https://www.elevancehealth.com/content/dam/elevance-health/documents/earnings/1Q2025ELVEarningsRelease.pdf>

⁵ See www.comparemaine.org data for CPT codes 97140 and 97530 – typical codes used in a PT visit. Price displayed on [comparemaine.org](http://www.comparemaine.org) is a 15- minute code. A standard PT visit is one hour (4 15-minute codes).