



Maine Hospital Association

MAINE'S LEADING
VOICE FOR HEALTHCARE

TESTIMONY OF THE MAINE HOSPITAL ASSOCIATION

In Opposition To

LD 1906 - *An Act to An Act to Improve Accountability and Understanding of Data in Insurance Transactions*

May 13, 2025

Senator Bailey, Representative Mathieson and members of the Health Coverage, Insurance and Financial Services Committee, I am Jeffrey Austin and I am here on behalf of the Maine Hospital Association testifying in opposition to LD 1906.

Hospitals would like to not get caught in the cross-fire between self-insured employers and their third-party administrators (TPAs).

The premise of this bill is that carriers are not doing enough to scrutinize healthcare claims from providers. I'm not sure there is a way to disprove that, but our members certainly don't agree.

I'd like to raise three points.

Get a New TPA. If an employer is unhappy with its vendor, get a new one. Or, negotiate audit terms into the contract with the TPA. It's a competitive marketplace and if one vendor isn't offering the service you want, get another.

Retrospective Denials are Wrong. Current law allows carriers to deny a claim after the service has been rendered, the claim has been approved and the bill has been paid. These denials are permitted under Maine law (24-A MRSA §4303(10)¹.) This bill would seemingly open

¹ 10. **Limits on retrospective denials.** Except as provided in paragraphs C and D, a carrier offering a health plan in this State may not impose on any provider any retrospective denial of a previously paid claim or any part of that previously paid claim unless the carrier has provided the reason for the retrospective denial in writing to the provider and the time that has elapsed since the date of payment of the previously paid claim does not exceed 12 months.

providers up to a significant increase in retrospective denials. Our members simply can't afford to provide services and not get paid on some bureaucratic technicality.

If this bill is to move forward, we would strongly suggest that no retrospective denial may occur for any claim for which the claim data has been shared with the plan sponsor pursuant to this bill.

In other words, the plan sponsor can go after its vendor, the TPA, for any mistakes the TPA made, not the provider. We don't want to be hit by the crossfire.

Employee Privacy. This legislation would allow a plan sponsor – typically an employer – to receive “*medical records associated with a specific claim.*” I'm not sure the average Maine worker would be thrilled with this.

We appreciate the desire for employers to want to make sure their vendors are serving

Thank you for accepting this testimony from the Maine Hospital Association.