

Senator Bailey, Representative Mathieson and members of the Health Coverage, Insurance and Financial Services Committee. My name is Julie Pease and I live in Topsham. I have practiced psychiatry in Maine since 1987. I presently chair the board of Maine AllCare; I am testifying in strong support of LD1883.

I'd like to focus on how LD 1883 would improve mental health treatment.

In our financialized healthcare system, mental health services are not a money-maker for hospitals. Last week Maine General Hospital announced that it is cutting the Pediatric Rapid Evaluation Program that provides services to children recently placed in the foster care system, and will be cutting also pediatric psychological services in general. The hospital said *the reasons for the cutbacks are financial*: citing state reimbursements that do not cover the cost of care, private insurance company denials, and the "increased costs of doing business".

In testimony last week, Sarah Calder of MaineHealth noted that MaineHealth lost nearly \$17 million last year providing community-based behavioral health services.

Hundreds of individuals and families in our state find themselves having to choose between paying for food, rent or utilities and healthcare or mental healthcare. Rising household costs leave little to no room for copays and deductibles. This leads patients to limit or abandon mental health treatment (e.g., skipping medication doses or therapy sessions). This problem is especially acute for patients who are uninsured, underinsured, or with high-deductible plans.

As a psychiatrist, over my 40 years of experience, I have spent increasing amounts of time with my patients strategizing over how they could afford their medications rather than providing treatment. I have spent increasing amounts of time battling insurance companies to get approval for my services, and for the medications I have prescribed. During my last job in the USA, working on an inpatient unit, my patients could not go outside with staff or family to get some fresh air, on my orders, because if they were well enough to leave the unit even for an hour or two, their insurance company would consider them well enough for discharge and would deny payment for hospital care.

The most infuriating part of my job was presenting my patients' cases to insurance company doctors, who always politely agreed with my treatment plans and the rationale for a few more days in hospital, but then the insurance company would deny payment anyway. I don't know if the hospital sent a bill for the denied payment (probably) or how much bad debt they carried.

LD1883 would make mental health treatment affordable to all Mainers, and financially viable for providers. It will:

- Provide prompt and predictable payment for outpatient services
- Reduce administrative burdens - one set of rules and requirements for documentation and billing

- Eliminate the need for billing services, which now add to the cost of providing care
- Eliminate the wide disparity in fees that exist under our multi-payer system
- Provide simple and equitable fee-for-service for solo practitioners, and global budgets for institutional providers and clinics, ensuring financial viability
- Simplify prior authorization for services, testing and medications
- Eliminate "ghost networks"

Patients would be able to afford counseling (and medications when indicated) rather than putting off care or skipping treatment sessions due to financial concerns, thus preventing some mental health crises and thereby reducing the number of ER visits.

LD 1883 would also reduce the strain on Emergency Rooms, by providing:

- Better staffing of crisis intervention programs
- More referral options (no longer limited by insurance coverage)
- Patients could access care within hours to days of leaving an ER

I urge you to vote Ought To Pass on LD1883.

Thank you for your time and consideration.

# LD 1883: An Act to Enact the All Maine Health Act

## 132nd Maine Legislature

**Overview:** The All Maine Health Plan (AMHP) is a proposal for a health care system that would **ensure that all Maine residents have affordable, comprehensive, and equitable health care**, publicly funded and publicly/private provided.

- ✓ It will allow patients to choose their providers and will work to increase workforce numbers so that access to care is timely.
- ✓ It will lower costs by reducing administrative bureaucracy, not by restricting or denying care.
- ✓ It will use a simplified funding and payment system and provide adequate and timely negotiated payments to providers.

### Key Components:

- **Structures:** It establishes the All Maine Health Agency overseen by an All Maine Health Board (AMHB) that will manage an All Maine Health Plan (AMHPlan).
- **Eligibility:** All residents of Maine are eligible for coverage through the AMHPlan, including individuals currently uninsured, individually insured through commercial insurance, covered through federal programs, and covered by self-insured and fully-insured employer plans.
- **Benefits:** It will include ACA essential benefits plus dental, vision and hearing benefits, but not long term care, which will still be covered through MaineCare.
- **Revenue Sources:** Funding will include federal funds accessed through Medicare, MaineCare, and Marketplace waivers together with income-based health taxes assessed on all residents and a business payroll tax. Additional revenues may be derived from outside sources (existing coverage) and minimal cost-sharing.
- **Simplified System:** The All Maine Health Fund (AMHF) will receive revenues and consolidate as many payment sources as feasible into a unified claims payment system.
- **Provider Compensation:** A Provider Payment Negotiation Office (PPNO) will negotiate fair payments for professional and institutional providers, taking into account local historical rates, projected regional needs, balance between specialty and primary care services, and system savings, with the aim to recruit and retain providers.
- **Drug Pricing:** A Pharmaceutical and Medical Device Price Negotiation Office will negotiate pharmaceutical and medical device prices.
- **Implementation:** The Legislature will only proceed to implementation of the AMHP after waiver issues have been resolved and a fiscal analysis of the costs of the plan is approved by the Legislature.
- **Workforce Transition:** The AMHA will assist in retraining, job placement, and wage replacement for insurer and provider administrative workers displaced by the AMHP.