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### **Testimony NFNA L.D. 1972**

An Act to Enhance Transparency and Value in Substantial  
Health Care Transactions by Changing the Review and Approval Process for Those Transactions  
May 20, 2025

Senator Bailey, Representative Mathieson, and Members of the Health Coverage, Insurance, and Financial Services Committee.

My name is Dan Demeritt, the Executive Director of the Maine Association of Health Plans. Insurance coverages offered or administered by our member plans provide access to care and better outcomes for many of the Mainers who receive coverage through an employer plan or the individual market. Our mission as an association is to improve health by promoting affordable, safe, and coordinated health care.

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The Maine Association of Health Plans has shared concerns with the Committee about the impact that provider consolidation has on health care costs and the ability to negotiate provider contracts and rates.

We appear today Neither For Nor Against L.D. 1972 to seek clarifying language that makes it clear that carriers, third-party administrators, and pharmacy benefit managers are not health care providers and to raise concerns about the assessment on carriers.

#### **Assessment on Carriers**

L.D. 1972 seeks to create a new assessment on carriers despite not intending to regulate their activities.

Section B-1 §372, Item 6 of the bill (p.10, line 15) establishes a new assessment on all health insurers and health maintenance organizations operating in the State, unfairly assessing only commercial purchasers and consumers for an initiative intended to serve all Maine citizens.

The Maine Association of Health Plans is opposed to assessments on health insurance carriers. These assessments are ultimately paid by Maine employers and consumers in the form of higher premiums and amount to a form of taxation on the consumers of commercial health insurance.

Assessments on carriers are particularly troubling when not related to the regulation of the insurer.

#### **Requested Health Insurance Carrier Clarification**

Proponents of the legislation tell us that health insurance carriers are not intended to be included in the bill's definition of a health care entity and that carriers would only be included in the scope of the bill if involved in acquiring the ownership or control of a health care facility or provider group.

We are also told that the references to carriers and pharmacy benefit managers in the summary (p.13, line 4) appear in error based on an earlier draft of the proposal.

If the Committee is interested in advancing the bill, we would respectfully request the following clarifications and changes be made under Section B-1. 22 MRSA c 106 §371 Definitions:

**9. Health care provider.** "Health care provider" means any person, corporation, partnership, governmental unit, state institution, medical practice or any other entity qualified or licensed under state law to perform or provide health care services to persons in the State. ***Health care provider does not include a carrier, third party administrator, or pharmacy benefits manager.*** (p.2 line 29)

**10. Health care services.** "Health care services" means services ~~and payments~~ for the care, prevention, diagnosis, treatment, cure or relief of a medical, dental or behavioral health condition, illness, injury or disease, including, but not limited to: (p.2 line 33).

We further recommend a definition for Third-party administrator be added to the bill consistent with existing law:

**Third-party administrator.** "Third-party administrator" or "administrator" means an administrator licensed pursuant to chapter 18.<sup>1</sup>

Thank you for your consideration.

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<sup>1</sup> Please see Third-party administrator definition: <https://www.mainelegislature.org/legis/statutes/24-A/title24-Asec6601.html>