



Testimony of Anthem Blue Cross and Blue Shield

In Support of L.D. 1890

"An Act to Facilitate the Development of Ambulatory Surgical Facilities by Exempting Certain Facilities from the Requirement to Obtain a Certificate of Need"

January 7, 2026

Good afternoon, Senator Bailey, Representative Mathieson, and Members of the Health Coverage, Insurance, and Financial Services Committee. My name is Kristine Ossenfort, and I am the Senior Government Relations Director for Anthem Blue Cross and Blue Shield in Maine. Anthem Blue Cross and Blue Shield is a domestic insurance company headquartered in South Portland and regulated by the Maine Bureau of Insurance. We are the largest health insurer in Maine, operating the Blue Cross and Blue Shield plan that has served this state for over 85 years and serving all market segments.

I am pleased to appear before you this afternoon to testify in support of the proposed amendment to *L.D. 1890, "An Act to Facilitate the Development of Ambulatory Surgical Facilities by Exempting Certain Facilities from the Requirement to Obtain a Certificate of Need"*. We support this proposal for several reasons.

1. The threshold applicable to new health care facilities is one of the few thresholds that is not adjusted for inflation—the thresholds for major medical equipment, new health services, nursing facilities (other than new nursing facilities), and the general threshold for capital expenditures are all adjusted annually to reflect changes in medical CPI. The threshold for new health care facilities is not adjusted for inflation and has not kept pace—it has been \$3 million for the last 15 years.
2. We believe that updating the threshold will provide important opportunities to increase access to high quality, lower cost providers such as ambulatory surgical centers (ASCs) to offer important health care services in Maine. These facilities generally provide a better patient experience at a lower cost.

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3. The cost difference between an ASC and a hospital can be significant—and this impacts not only premiums but also the member's out-of-pocket costs when the deductible and out-of-pocket maximum have not been met. New Hampshire, which eliminated Certificate of Need nearly 10 years ago, has far more ASCs than Maine, providing greater choice and increased access to quality health care services at a lower cost. Examples of differences in cost between ASCs and hospitals, as well as examples of differences in the costs in Maine vs New Hampshire are attached to my testimony.
4. Last session, this Committee spent time discussing incentives to shop for health care services in the context of L.D. 1152, focusing on the fact that these programs are underutilized. Having more alternative sites of care available could help to provide more incentives, including through plan design. For example, if a member chooses a lower cost site of care, the benefit could be subject to a copay rather than coinsurance.
5. We believe that expanding the number of ASCs could have premium impacts as well. An analysis of our claims in 2024 indicated that if the cost and utilization of ASCs in Maine resembled that of New Hampshire, claims costs across all carriers could be reduced by \$40 million, which would have an estimated 0.4% of premium. Members could also see reduced out-of-pocket costs through incentives and plan design.
6. While we support increasing the threshold for new health care facilities to \$5 million, we suggest that the Committee consider increasing it to \$10 million. This could provide increased opportunities and be more in line with other states such as Vermont, which recently increased its threshold from \$1.5 million to \$10 million. While we believe there are many reasons to increase the threshold to \$10 million in 2026, it could also be phased in over a period of years.

Thank you for the opportunity to share our comments in support of the sponsor's amendment to L.D. 1890. We strongly urge you to vote "ought to pass as amended" on L.D. 1890, and to consider increasing the threshold for new health care facilities to \$10 million. I would be happy to answer any questions you may have.

Comparing ASCs and Hospitals in Maine and New Hampshire

Hip replacement--outpatient (50 mile radius)*	
Maine (Portland)	New Hampshire (Manchester)
ASC 1	\$24,497
Hospital A	\$37,435
Hospital B	\$42,340
Hospital C	\$44,324
Hospital D	\$49,534
Hospital E	\$50,502
Hospital F	\$58,606
Hospital G	\$58,921
Hospital H	\$62,255
Hospital I	\$63,081
ASC 1	\$10,815
ASC 2	\$10,960
ASC 3	\$15,655
Hospital A	\$17,729
ASC 4	\$25,415
Hospital B	\$27,331
Hospital C	\$32,417
Hospital D	\$33,772
Hospital E	\$49,497
Hospital F	\$50,321
Hospital G	\$64,639
Hospital H	\$72,380

Hip Replacement performed in ASCs Maine vs NH

Maine	13.59%
New Hampshire	47.38%

Data obtained from Anthem.com Find Care logged in as a member



Comparing ASCs and Hospitals in Maine and New Hampshire

Total knee replacement--outpatient (50 mile radius)*	
Maine (Portland)	New Hampshire (Manchester)
ASC 1	\$22,776
Hospital A	\$39,005
Hospital B	\$43,394
Hospital C	\$43,605
Hospital D	\$48,918
Hospital E	\$57,119
Hospital F	\$58,334
Hospital G	\$62,432
Hospital H	\$63,475
ASC 1	\$9,198
Hospital A	\$16,555
ASC 2	\$17,516
ASC 3	\$18,378
ASC 4	\$19,677
ASC 5	\$22,155
ASC 6	\$25,244
Hospital B	\$25,625
Hospital C	\$31,998
Hospital D	\$38,917

Knee Replacements performed in ASCs Maine vs NH

Maine	14.08%
New Hampshire	47.58%

Data obtained from Anthem.com Find Care logged in as a member



Comparing ASCs and Hospitals in Maine and New Hampshire

Colonoscopy with biopsy (30 mile radius)			
Maine (Portland)		New Hampshire (Manchester)	
ASC 1	\$1,758	ASC 1	\$1,934
Hospital A	\$4,502	ASC 2	\$1,963
Hospital B	\$4,897	ASC 3	\$2,239
Hospital C	\$5,841	ASC 4	\$2,356
Hospital D	\$6,207	ASC 5	\$2,573
Hospital E	\$6,336	ASC 6	\$3,140
Hospital F	\$6,915	ASC 7	\$3,286
		ASC 8	\$3,481

**Diagnostic Colonoscopies
performed in ASCs—Maine
vs NH**

Maine	23.90%
New Hampshire	67.70%

Data obtained from Anthem.com Find Care logged in as a member

