



Advocating the right to quality, affordable health care for all Mainers.

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Testimony in support:
LD 2196, “An Act to Lower Health Insurance Costs, Reduce Barriers to Health Care and Ensure Fair Prices for Health Care”
Joint Standing Committee on Health and Human Services
March 5, 2026

Senator Ingwerson, Representative Meyer and members of the Joint Standing Committee on Health and Human Services, I am Kate Ende, Policy Director for Consumers for Affordable Health Care. Thank you for the opportunity to provide this testimony in strong support of LD 2196, “An Act to Lower Health Insurance Costs, Reduce Barriers to Health Care and Ensure Fair Prices for Health Care.”

Consumers for Affordable Health Care (CAHC) is a nonpartisan, nonprofit organization that advocates the right to quality, affordable health care for every person in Maine. As designated by Maine’s Attorney General, CAHC serves as Maine’s Health Insurance Consumer Assistance Program (CAP), which operates a toll-free HelpLine. Our HelpLine fields thousands of calls and emails every year from people across Maine who need help obtaining, keeping, using, or fixing problems with private health insurance or with accessing or affording health care services. CAHC also serves as the Ombudsman program for Maine’s Medicaid program, MaineCare, and helps people apply for and navigate the enrollment and access to health care services under MaineCare. It is with that background that we provide these comments.

Affordability is one of the most persistent and urgent challenges we hear about. Through our HelpLine and recent polling conducted in Maine, we see the real consequences of rising health care costs. A recent survey found that four in ten Maine families have taken on medical debt within the past two years, most commonly due to hospital services. More than one in three Mainers report struggling to afford basic necessities such as food, heating, or housing because of medical bills. Even for people who have insurance, the cost of care is often still out of reach. Polling shows that seven out of ten Mainers have delayed or skipped medical care due to the cost.¹

When people cannot afford to use their health coverage, affordability barriers become access barriers. We are hearing from people who are putting off necessary care, delaying treatment, or dropping coverage entirely because premiums and out-of-pocket costs are simply too high.

¹ <https://drive.google.com/file/d/1OOD5JGNgeiJCI4WzEn1xHxSkW48uajZS/view>

On average, commercial insurance premiums rose by nearly 24% for individuals and 17.5% for small businesses. This is on top of year after year of steep increases. Hospital services make up the largest share of total health care spending in Maine and rising hospital costs are a significant driver of premium increases.²

To illustrate how unaffordable coverage has become, consider this example: A 64-year-old couple living in Aroostook County with an annual income of \$85,000 would have to pay 50% of their income in order to purchase a silver plan through CoverME.gov. That is before accounting for deductibles, copayments, and other out-of-pocket costs.

Example of CoverME.gov plan options for a 64-year-old couple living in Aroostook County with an annual income of \$85,000		
	Annual Premium (in dollars)	Annual Premium (as a percentage of income)
Cheapest Bronze Plan \$7,200/\$8,000 (Tier 1/ Tier 2) individual deductible	\$31,440.72	37% of income
Cheapest Silver Plan \$5,000/ \$7,500 (Tier 1/ Tier 2) individual deductible	\$42,544.08	50% of income

Devoting one-third to one-half of household income to monthly health insurance premiums alone is not realistic. In practice, families facing these costs often forgo coverage, delay retirement, reduce savings, or go without needed care.

Mainers are facing a healthcare affordability crisis right now. The number one reason Mainers cite for not having health insurance is the cost of premiums.

The variation in prices between hospitals illustrates the scale of the problem. For example, prices for an outpatient knee replacement can vary by over \$12,000 between facilities.³ When compared to hospitals nationally, prices for in-patient hospital stays also vary dramatically. One hospital in Maine is among the most expensive hospitals in the country, with prices higher than 88% of hospitals nationally, while prices at another Maine hospital are in the bottom 12% nationally.

² Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group. (2024). National Health Expenditure Data: Health Expenditures by State of Residence, August 2022

³ Maine Health Data Organization. (2026). *CompareMaine: Compare estimated payments and quality of patient care in Maine*. <https://www.comparemaine.org>

These large price differences demonstrate that prices are not always tied to quality or cost of care but often reflect market dynamics.

LD 2196 takes an important step toward addressing this problem by establishing reasonable limits on what hospitals can charge commercial payers. The proposed benchmark—set at twice the Medicare rate—will help bring excessive price growth under control.

This bill is also carefully designed to protect hospitals that are financially vulnerable. It includes exemptions to the price cap for critical access hospitals and hospitals in financial distress. This means half of Maine hospitals would be automatically exempt from the proposed price cap based on their designation as a critical access hospital and additional hospitals experiencing financial difficulties would also qualify for an exemption from the price cap.

Some have suggested that limiting hospital prices could threaten access to care or lead to hospital closures. But the current system already restricts access when people cannot afford to seek treatment. Furthermore, the safeguards in place will ensure meaningful savings are generated without diminishing access to services. Allowing prices to continue rising unchecked will only deepen the affordability crisis that Maine families and businesses are experiencing today.

Experiences from other states have shown that price and growth caps can successfully reduce costs without compromising access to care. For example, Oregon implemented hospital payment limits for its state employee health plan. An independent analysis found that this policy resulted in savings of approximately \$50 million dollars annually and reduced out-of-pocket spending for consumers by 9.5%. The analysis also found that the policy was able to achieve these savings without negatively impacting hospital sustainability or access to services.⁴ Other states are also taking steps to address rising hospital prices. Rhode Island has limited the growth of hospital payments through its insurance rate review process, resulting in significant savings for employers and consumers and slower growth in health care spending.⁵

For Maine consumers, these policies matter because hospital prices directly affect what people pay for coverage and care. When hospitals charge more, insurance premiums increase. Employers are forced to allocate more compensation toward health benefits

⁴ Siliezar, J. (2025, December 2). *Oregon's first-in-the-nation hospital price cap cut costs without compromising care*. Brown University School of Public Health. <https://sph.brown.edu/news/2025-12-02/hospital-price-caps>

⁵ Ryan AM, Whaley CM, Fuse Brown EC, Radhakrishnan N, and Murray RC. Rhode Island's Affordability Standards Led To Hospital Price Reductions And Lower Insurance Premiums. *Health Affairs* 2025 44:5, 597-605. Baum A, Song Z, Landon BE, Phillips RS, Bitton A, and Basu S. Health Care Spending Slowed After Rhode Island Applied Affordability Standards To Commercial Insurers. *Health Affairs*. 2019;38(2):237-45

instead of wages or hiring, and families face higher deductibles and coinsurance when they need care.

Importantly, this bill also reinvests savings toward reducing provider administrative burden associated with prior authorization requirements and also invests in services that are essential but often underfunded, including primary care and behavioral health care. Strengthening these services can improve access and help keep people healthy before they require more expensive hospital care.

The bottom line is that the current system is not working for many Maine people. Families are taking on debt, delaying care, and struggling to make ends meet because of medical costs. Something needs to change. Addressing hospital prices is an important step toward building a more balanced and sustainable health care system.

Maine people deserve to be able to access the health care they need at a fair and reasonable price. LD 2196 moves us in that direction, and we urge the Committee to support this legislation.

Thank you for your time and consideration. I would be happy to answer any questions.