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Maine Equal Justice

People Policy Solutions

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Testimony in Support of LD 2196, An Act to Lower Health Insurance Costs, Reduce Barriers to Health Care and Ensure Fair Prices for Health Care

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Good afternoon Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services. My name is Alex Carter (she/her) and I am a Senior Policy Advocate at Maine Equal Justice (MEJ), a nonprofit civil legal aid provider working to increase economic security, opportunity, and equity for people in Maine. Through direct legal services and systemic advocacy, we represent the interests of people with low income across Maine.

The message we continually hear from our clients and community members is that health care is unaffordable and that, even with insurance, certain essential services are limited and challenging to access. The cost of health care is rising faster than people's wages and according to a recent statewide poll, more than one in three Mainers have struggled to pay for necessities, like food, heat, and housing, due to medical costs.¹

There is no singular or simple answer to these persistent problems—federal cuts to health care and the expiration of the Enhanced Premium Tax Credits (EPTCs) have contributed to increased premium costs and will result in the loss of Medicaid and Marketplace coverage for thousands of Mainers, many of whom will go without coverage. Our population is aging and requires more frequent and more costly care. Workforce shortages and stagnant reimbursement rates for certain providers have limited their ability to serve more people, including MaineCare members. Cumbersome requirements and reviews from insurers erect barriers to accessing and affording necessary treatments. And the increased cost of new prescription drugs and hospital and physician payments are driving up the overall cost of care, and therefore insurance premiums.² We must address each of these factors to ensure the ongoing stability of our health care system and the health and economic security of Maine people.

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

² <https://www.kff.org/health-costs/health-policy-101-health-care-costs-and-affordability/?entry=table-of-contents-what-factors-contribute-to-u-s-health-care-spending>

LD 2196 is a starting point aimed at lowering overall health system costs and the financial and physical costs paid directly by patients. The bill has three main components:

- 1) **Price caps on hospital charges and growth caps on how much prices can increase.** Insurance carriers cite hospital prices as one of the primary drivers of sharp premium increases in recent years, further compounded by the loss of the EPTCs and the expected changes to the insurance risk pool.³ Research from Maine's Office of Affordable Health Care (OAHC) shows that hospital services contribute the greatest amount to Maine's total health care spending, exceeding prescription drugs, residential care, and physician services. It also shows that Maine's per capita hospital expenditures have grown much faster than inflation and income.⁴ Price and growth caps are one tool available for lowering premium costs and reducing out-of-pocket costs for individuals paying for hospital care. Other states have enacted similar policies resulting in significant savings,⁵ which could be reinvested to support access to and reimbursement for care delivered to people with low income. We are not taking a position on the exact percentage of Medicare where prices should be capped, but rather the overall concept so we can begin a conversation about the urgent need to lower health care costs in Maine.

As direct service providers, we are acutely aware of the negative impacts that H.R. 1 and other recent federal changes will have on people with the lowest income who are not a part of our private insurance market or who may lose coverage due to new eligibility restrictions. This in turn effects on our safety net providers, including hospitals, who will be serving a larger uninsured population and providing more uncompensated care. We would like to see efforts to cap prices coupled with investments in coverage and care for those most impacted by these cuts.

- 2) **Reimbursement floors for primary care and behavioral health care.** A 2025 study of Maine voters showed that 4 out of 10 respondents had difficulty accessing primary care and a quarter found it difficult to access treatment for mental and behavioral health.⁶ This is consistent with reports from our clients who especially struggle to find behavioral health services for their children on MaineCare. Analysis

³ <https://www.healthsystemtracker.org/brief/how-much-and-why-aca-marketplace-premiums-are-going-up-in-2026/>

⁴ <https://legislature.maine.gov/doc/12363>

⁵ <https://www.healthaffairs.org/doi/10.1377/hlthaff.2024.01146>

⁶ <https://unitedstatesofcare.org/wp-content/uploads/2025/09/Perceptions-of-the-Health-Care-System-in-Maine-Topline-Results-From-a-Survey-of-Voters.pdf>

by the OAHC showed many primary care and behavioral health care providers in Maine are being reimbursed less than 110% of Medicare by commercial insurance. MaineCare members make up a large share of the patient population served by many of these providers who are currently struggling and who would benefit from increased reimbursement rates. This provision would help to strengthen Maine's primary and behavioral healthcare infrastructure, benefitting both MaineCare and privately insured Mainers.

- 3) **Changes to prior authorization requirements** to limit requirements for people with chronic conditions to every 2 years. This would reduce the burden on both patients and providers that must submit prior authorizations for ongoing treatment every year, sometimes leading to delays in care at the start of a new plan year. This is especially challenging for people with low income who often have barriers to rescheduling appointments or getting to a pharmacy to pick up medications due to less flexible work schedules, childcare, and transportation options or who have limited phone access for follow-up. Providers also often cite prior authorizations as an administrative burden that diverts limited provider resources, both time and financial, away from providing patient care. We know from experience that when prior authorizations last longer, there is less disruption in care.

Our current health care system is fragile, but so is the economic security of Maine families and individuals facing barriers to access and skyrocketing costs of care and coverage. We encourage you to carefully consider these proposals to bring down health care costs and reduce the burdens on Maine families.

Thank you,

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