

**Testimony of Amanda Johnson**  
**Maine State Chamber of Commerce**  
**Before the Joint Standing Committee on Health and Human Services**  
**“An Act to Lower Health Insurance Costs, Reduce Barriers to Health Care and Ensure**  
**Fair Prices for Health Care”**  
**LD 2196**  
**March 5, 2026**

Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services, my name is Amanda Johnson. I am here on behalf of the Maine State Chamber of Commerce, representing more than 5,000 employers across the state. I am testifying in opposition to LD 2196.

LD 2196 would impose strict statewide price controls on Maine hospitals, including facility price caps, limits on annual growth tied to the Medicare hospital market basket, minimum reimbursement rates, and authority for the Office of Affordable Health Care to levy fines for noncompliance. While there are some exemptions for critical access hospitals and financially distressed facilities, these measures would fundamentally change how hospitals, providers, insurers, and communities negotiate and pay for health care.

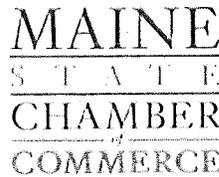
While we appreciate the motivation behind the legislation to reduce the costs of healthcare in the State of Maine, we are concerned that the scale of this proposal would be disruptive to healthcare services when the system is already economically fragile. Furthermore, the concept of a price cap may be appealing, but it fundamentally interferes with the natural negotiation between hospitals, providers, insurers, and communities. Hospitals rely on flexible revenues to provide emergency, inpatient, outpatient, behavioral health, and specialty care, as well as to recruit and retain staff and maintain facilities. Many hospitals, particularly in rural areas, operate on thin margins. Imposing rigid caps increases financial stress and risks reductions in access or even closures. Inland Hospital in Waterville permanently closed in 2025 after facing severe financial and staffing pressures. Waterville, which once had three hospitals, now has no full-service hospital, illustrating the fragility of Maine’s health care system.

Beyond immediate financial impacts, there is a broader concern: setting price caps creates a precedent for government intervention in markets. If this approach is accepted in health care, what stops similar mandates in other areas—groceries, rent, or other essential services? Price controls may seem appealing as a short-term solution, but they often lead to unintended consequences and limit the flexibility businesses need to respond to local needs.

The bill also establishes limits on prior authorization requirements for chronic conditions. This could lead to unnecessary utilization and are likely to result in significant cost increases for Maine employers and their employees without improving patient outcomes.

We recognize the urgent need to address rising health care costs for Maine patients and employers. However, LD 2196 takes the wrong approach. Blunt price caps and broad prior authorization mandates would weaken hospitals, reduce services, and threaten workforce and economic development across the state.

For these reasons, the Maine State Chamber of Commerce respectfully urges the Committee to vote Ought Not to Pass on LD 2196. Thank you for your time and consideration. I would be happy to answer any questions.



Dear Senator Ingwersen, Representative Meyer and Members of the Joint Standing Committee on Health and Human Services:

On behalf of the business community in Maine, we write to express our strong opposition to LD 2196, "An Act to Lower Health Insurance Costs, Reduce Barriers to Health Care and Ensure Fair Prices for Health Care."

Maine employers shoulder significant and growing health insurance costs, and affordability is a real challenge for families and businesses alike. However, LD 2196 is a blunt instrument that risks doing serious and irreversible harm to Maine's already fragile health care system.

According to the Office of Affordable Health Care, this legislation would result in the loss of more than \$1 billion in hospital funding statewide. Slashing this level of funding would decimate access to care as Maine's hospitals already operate on razor-thin or negative margins. We are further concerned that reductions of this magnitude could create pressure for new public funding, including increased taxes, to prevent hospital failures.

Hospitals are not just health care providers; they are economic anchors and major employers in our communities. For many towns, the local hospital is among the largest employers, sustaining thousands of good-paying jobs and supporting local businesses. Weakening hospitals weakens entire regional economies. At a time when Maine is working to grow its workforce and attract new businesses, destabilizing hospitals sends exactly the wrong message.

World-class health care is also a critical recruitment and retention tool. Employers rely on strong local hospitals to attract talent to Maine as individuals considering relocation often ask about access to high-quality health care. LD 2196 will cause service reductions, eliminate specialty programs, and result in facility closures, but the ripple effects will extend far beyond the health care sector.

We agree that health care affordability must be addressed, but reform must be thoughtful, data-driven, and collaborative. LD 2196 instead imposes rigid price caps and enforcement penalties that will restrict access and undermine quality. History demonstrates that blunt price caps rarely achieve sustained affordability; instead, they reduce supply and push costs elsewhere in the system.

As leaders in Maine's business community, we depend on a stable, high-quality health care system to support our employees, attract new talent, and sustain vibrant local economies. We respectfully urge you to reject LD 2196 and instead engage stakeholders in a balanced approach that lowers costs without sacrificing access or destabilizing our hospitals.