



Dan Demeritt  
Executive Director

P.O. Box 193  
Orono, Maine 04473  
Tel: (207) 852-2087  
Email: dan.demeritt@meahp.com

## **Testimony in Opposition to L.D. 378**

### **An Act to Clarify That Health Insurers Must Comply with Plan Sponsor's Statutory Rights to Audit Claims and Related Data Requested Related to Those Audits**

March 12, 2026

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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MeAHP understands the need to update Maine's statutes to accurately comply with the intended purpose of the Legislature. Nevertheless, the need for clarifying legislation so soon after enactment of Public Law 2025, Chapter 487 (L.D. 1906) suggests not enough was done last year to understand and work through the difference among stakeholders.

We oppose L.D. 378 because the statute it seeks to update is still unnecessary and would remain unworkable if amended by this legislation.

We urge the Committee to use the sponsor's amendment to L.D. 378 as an opportunity to delay the effective date of Public Law 2025, Chapter 487 to January 1, 2028, and to direct the stakeholders to work together to achieve a compromise that can be reported back to HCIFS at the start of the 133rd Legislature.

#### **Unnegotiated and Nearly Unlimited Audit Rights**

MeAHP member plans report that their contracts already include audit provisions that ensure orderly access to information and health claim transparency for plan sponsors. These provisions are extremely complex and have the potential to add significant costs to the administration of health care coverage.

Policy makers should leave these negotiations to the private parties involved in the contracts.

Public Law 2025, Chapter 487 (L.D. 1906) significantly and unnecessarily expanded plan sponsors' rights to claims data collected by third-party administrators. Subject matter experts at our member plans identified several problems and questions related to this new, unnegotiated law:

- Manual production of itemized billing statements and medical records required by the new right to high-cost claims data in 24-A §1914.
- Ambiguity around definition of high-cost claims – billed or paid?
- The 30-day turn-around times combined with manual production may require the reassignment of employees from their normal work responsibilities.
- The new statutory right to audit applies to all lines of business. It conflicts and supersedes existing Administrative Service Only (ASO) contract language with plan sponsors.
- Access to all claims data creates new internal auditing burdens on carriers.
- Requests for all claims data that come simultaneously from multiple plan sponsors would number hundreds of thousands of claims or more and cannot be produced in 30 days.
- Prohibiting limits or conditions on auditors could mean contingency-based reviews of claims without the benefit of a background check on the auditing firm to ensure the security of the information being shared.
- Modifications allowed by the new law related to prescription drug and device claims do not adequately protect and prevent data from being shared with other clients. It should allow for the redacting of confidential, proprietary or trade secret information or information not relevant to the contract holder.
- The number of prescription drug claims processed by pharmacy benefit managers can number in the millions and is unworkable without limits.

If the Committee does advance this amendment as presented, it should take the step of changing the effective date of current law to at least January 1, 2027.

The proposed amendment to L.D. 378 does not address the unnecessary and unworkable provisions of the newly enacted law.

We urge the Committee to use this vehicle to delay the effective date of existing law to at least January 1, 2028, and to direct stakeholders to hold discussions and seek an equitable compromise that can be presented to the Committee at the start of the 133rd Legislature.

Thank you for your consideration.

