



Testimony in support of LD 445

4/13/17

Chair Whittemore, Chair Lawrence, and members of the Insurance and Financial Services Committee, my name is Brad Stout, I am a resident of Vassalboro, President at Coutts Brothers Incorporated in Randolph, ME. I have joined you today to offer testimony in support of LD 445.

Coutts Brothers Incorporated is a family owned and operated business based in Randolph, for more than 50 years we have worked in the utility construction, maintenance and inspection for utilities as well as industrial, commercial and private customers. Our logo bears the slogan "Safety is Our Priority" and our entire team is committed to that philosophy. Our ownership and management team values our employees (and their families) and we make every effort to better their quality of life.

Health insurance is the backbone of our benefits package. We always have, and continue to, pay 100% of the health insurance premiums for each full-time employee. This benefit has been difficult to budget, and we are out of solutions to keep the cost down. Without improvements to the system we will no longer be able to offer this benefit without cost to the employee.

As many companies our size have experienced increased premiums (up to 26% annually, after an increase in deductible) we have had to increase deductibles to make the program more affordable. Through matches with Health Savings Accounts and Health Reimbursement Accounts we have helped our employees save and pay for their medical expenses to keep their "out of pocket" as low as possible. This high deductible structure has opened our eyes to a much bigger issue than premium increases; the inability to shop for care.

If you need power restored after a storm, or a new transmission line built, or energized line work completed on 345kv structures, Coutts people are the best for all those jobs. But if you need to know where the best place to get an MRI is in central Maine, we may be one of the worst places to look. Our men are trained to work safely and efficiently but we all struggle understanding the cost surrounding medical procedures and treatments.

Consumers are given information for every purchase they make, other than medical care. You are unaware of any costs until you get the bill. Keep in mind, approximately 8 out of 10 hospital bills contain errors (*Medical Billing Advocates of America), and by the time you get your out of pocket costs it has been filtered by the provider, the insurer, you've received a couple "this is not a bill" letters and you probably have even forgotten what, when (or in my case with 5, 7, 9-year-old boys "who") the invoice is for. The process is like no other in our state, and the complexity and lack of information sends consumers to the market more uninformed than any other financial decision.



People are paying more than they should for services because they are uninformed. Costs are less important to the decision-making process in health services than other consumables, but they still are a key factor. An employee of mine recently needed infusions for a medical condition; the infusions are every other month, totaling 6 times a year. The cost at Mercy during the summer of 2014 was \$12,824.35 per session. Late fall of 2014, the cost was \$16,394.72. Maine General is now performing the same service, same dose, the same medication for \$6,812.40 each infusion. When I asked him if there was any difference in the providers he said, "Augusta has valet parking, Mercy used to give me a free egg salad sandwich, so I consider it a wash."

Educating people on the expense a head of time will make them more likely to pay their invoices in full and on time. Some hospitals have reported the rate of bad debt for insured patients is over 30% per year; this legislation would provide consumers will the costs up front allowing them to save accordingly and pay without questioning costs.

You are going to hear testimony against this bill from the hospitals, providers and insurers. They will tell you they don't have the resources to track costs in this fashion or that this bill undermines their networks. These businesses can provide estimates, and they should be providing this valuable information to their customers. I provide estimates to my customers and I don't even have a college degree. I would like to think the group of people I trust with the welfare of my children can do the simple math that goes along with a simple cost estimate. The networks the providers use should be strengthened by this legislation if it has any impact at all. The only case where the out of network language would negatively impact an insurer is if the out of network cost is less than the in network. In that case, the "volume for price" trade I keep hearing about is not working for your customers and should be addressed anyways.

When I showed LD 445 to a friend of mine in the insurance industry he said, "whoever wrote this bill doesn't know how things work." I disagree, the people who wrote this bill are the people paying for health care and they understand exactly how things work. They work hard at their jobs, they value the health of their families, and they don't want to pay \$9,582.32 for an egg salad sandwich. It has reached the point where consumers pay more for medical expenses than employers, and consumers have the right to use the information we are asking for.

LD 445 will open the markets in health care, and unite the insurers, providers and consumers towards a common goal; providing the highest quality care at the best price. LD 445 is a simple step in making Maine a better place to live, we hope the committee can support the bill.