



TESTIMONY OF THE MAINE HOSPITAL ASSOCIATION

In Support Of

[LD 945](#) - *An Act Regarding Notice by Health Insurance Carriers of Policy Changes*

April 6, 2021

Senator Sanborn, Representative Tepler and members of the Health Coverage and Insurance and Financial Services Committee, my name is Jeffrey Austin and I am with the Maine Hospital Association. I am offering this testimony in support of LD 945.

The Maine Hospital Association (MHA) represents all 36 community-governed hospitals including 33 non-profit general acute care hospitals, 2 private psychiatric hospitals, and 1 acute rehabilitation hospital.

Let me first start by echoing what Rep. Morris said about how this is probably the kind of issue typically handled by a state agency and in rulemaking. This is not normally something that would be addressed in statute, but, given the nature of our relationship with the carriers, its likely not in the purview of the Bureau to handle.

I would also note that we considered, but rejected, a proposal to repeal the existing law. One could argue that unilateral changes during a plan year are inappropriate. That a year is not very long and that any substantial changes should wait until the next plan year. On balance, we recognize that flexibility is beneficial and that there are valid reasons to make changes before the next plan year.

However, in exchange for flexibility, the changes being made should be very clear and easy to implement by the providers. We've heard from our members that this is not the case.

As drafted, the bill sets out a single rule for all carriers; namely, that each policy change be the subject of a discreet communication. This is not how all of the carriers are doing it today.

I would say for the hospital association, we are open to alternatives as to how to accomplish our goal. To our knowledge, there is no industry standard and there is no regulatory standard. If the industry has a counterproposal for a consistent, uniform and clear method of communicating policy changes, we are open to such a proposal. Absent such an industry standard, we can think of no clear standard other than making each policy change its own discreet communication.

Thank you.