

**LD 120, An Act To Lower Health Care Costs through the Establishment
of the Office of Affordable Health Care**

SUMMARY:

This bill establishes the Office of Affordable Health Care within the Legislature. The office is charged with analyzing data from the Maine Health Data Organization and the Maine Quality Forum and making recommendations to the joint standing committee of the Legislature having jurisdiction over health coverage matters on methods to improve the cost-efficient provision of high-quality health care to the residents of this State. The office is required to hold an annual public hearing on cost trends no later than October 1st annually at which the public may comment on health care cost trends. The office is required to submit an annual report.

The office is independent and nonpartisan, and the legislative committee and an advisory council provide advice on matters affecting health care costs in the State. The advisory council consists of 8 appointed members, including a member who represents hospital interests, a member who represents primary care provider interests, a member who represents a health care consumer advocacy organization, a member who represents health insurance interests, a member who represents purchasers of health care, a member who represents the health care workforce, a member who represents the interests of older residents of this State and a member with demonstrated expertise in health care delivery, health care management at a senior level or health care finance and administration. The Commissioner of Administrative and Financial Services and the Commissioner of Health and Human Services are ex officio members of the advisory council.

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TESTIMONY: Written testimony can be found at this [link](#)

ISSUES FOR CONSIDERATION:

1. LD 120 reflects the final version of a bill considered by the HCIFS Committee in the 129th Legislature, LD 2110, An Act to Lower Health Care Costs. LD 2110 was voted out of committee [OTP-A](#); it was enacted in the House and then referred to the Special Appropriations Table in the Senate. Although the bill was carried over to any special session, the Legislature did not reconvene and final action on the bill was not taken before termination of the 129th Legislature.
2. The sponsor has suggested a [proposed amendment](#) to the bill. The proposed amendment does the following:
 - Requires that the office use the definitions and methodology of the Health Care Payment Learning Action Network in its work evaluating health care costs (*intended to incorporate suggestion in DHHS testimony related to requirement that office monitor the adoption of alternative payment methods*);
 - Adds 3 positions to the advisory council (increasing number from 10 to 13): one member representing behavioral health specialists and 2 members with expertise in health economics and research (one each appointed by President and Speaker).
3. Consider whether the duties of the office duplicate efforts of other state agencies in certain areas, e.g. DHHS and Maine Quality Forum work on alternative payment models; consumer assistance programs in BOI and through CAHC?
4. As drafted, the bill requires the office to conduct annual public hearings on health care costs. Consider changing date for that hearing from no later than October 1 annually to no later than November 1 so it does not overlap with similar hearing to be held in Massachusetts? Suggested in testimony by Maine Association of Health Plans.

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ISSUES FOR CONSIDERATION (cont'd) :

5. As drafted, the bill is based on a [Massachusetts law](#) that established the [Massachusetts Health Policy Commission](#). The HPC is an independent executive agency.
6. Consider structure and placement of the office within the Legislature? Consider establishing within an existing state agency? Or as an independent executive commission/agency? Consider whether it is appropriate for legislative, nonpartisan staff office to “develop proposals”, “make recommendations” and to provide staffing to an executive branch entity like the Maine Prescription Drug Affordability Board? If move forward, consider clarifying role of staff in that regard?
7. Due to impact on Legislative operations and budget, it is anticipated that proposal will be reviewed further by Legislative Council as part of Study Table and/or Special Appropriations Table process as funding will be needed.

FISCAL INFORMATION:

According to the [preliminary fiscal impact statement](#), this bill would require appropriations of \$283,217 in 2021-22 and \$366,272 in 2022-23 to establish and provide funding for the costs of one Director position, one Legislative Analyst position and one Administrative Secretary position within the new Office of Affordable Health Care beginning October 1, 2021. The fiscal estimate assumes the new Office of Affordable Health Care will be located in State-owned space and will not incur rental costs. In addition to covering startup costs in the first year, as well as ongoing costs for the Office, the fiscal estimate assumes \$20,000 per year for the Director to contract with individuals or entities as indicated in Sec. 1, sub-section 6. Any additional costs to the Department of Health and Human Services and the Department of Administrative and Financial Services to serve on the Advisory Council are expected to be minor and can be absorbed within existing budgeted resources.