

An Act To Lower Health Care Costs through the Establishment of the Office of Affordable Health Care

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 3 MRSA c. 39 is enacted to read:

CHAPTER 39

OFFICE OF AFFORDABLE HEALTH CARE

§1021. Definitions

1. **Advisory council.** "Advisory council" means the Advisory Council on Affordable Health Care established in Title 5, section 12004-I, subsection 31-B.

2. **Director.** "Director" means the director of the office.

3. **Health Care Payment Learning Action Network definitions.** To ensure consistency with national definitions, all definitions used in the 2019 Methodology and Results Report by the Health Care Payment Learning Action Network are hereby incorporated unless directly in conflict with Maine law, and shall be used by the Office in its work evaluating health care costs in this State.¹

4. **Legislative oversight committee.** "Legislative oversight committee" means ~~the all~~ joint standing committees of the Legislature having jurisdiction over health ~~matters and public paid insurance coverage matters.~~

54. **Office.** "Office" means the Office of Affordable Health Care established in section 1022, subsection 1.

§1022. Office of Affordable Health Care

1. **Office established.** The Office of Affordable Health Care is established for the purpose of analyzing health care costs in this State in accordance with the duties set forth in this chapter and as provided in this section.

2. **Director; appointment.** The Legislative Council shall appoint by an affirmative vote of 8 members of the Legislative Council a nonpartisan director for the purposes set forth in this chapter. The director must be appointed to an initial 5-year term, which is subject to renewal by the Legislative Council every 5 years thereafter. During the term of the contract, the director may be terminated only for cause by an affirmative vote of 8 members of the Legislative Council. The Legislative Council shall establish the compensation of the director.

3. **Duties.** The office's duties must be performed independently and in a nonpartisan manner but under the general policy direction of the legislative oversight committee and the advisory council. The office shall report at least annually to the legislative oversight committee pursuant to section 1025 and upon request of the legislative oversight committee on matters affecting the cost of health care in this State. The office shall, at a minimum, use data available from the Maine Health Data Organization, established pursuant to Title 22, chapter 1683, and the Maine Quality Forum, established in Title 24-A, section 6951, to:

A. Analyze health care cost growth trends and correlation to the quality of health care;

B. Analyze health care spending trends by consumer categories, payer type, provider categories or any other measurement that presents available data in a manner that may assist the legislative oversight

¹ <http://hcp-lan.org/workproducts/apm-methodology-2019.pdf>

committee in understanding health care cost drivers, health care quality and utilization trends, consumer experience with the health care system or any other aspect of the health care system;

C. Monitor the adoption of alternative payment methods in this State and other states that foster innovative health care delivery and payment models to reduce health care cost growth and improve the quality of health care;

D. Based upon the data obtained and the analysis pursuant to paragraphs A to C, develop proposals for consideration by the legislative oversight committee on potential methods to improve the cost-efficient provision of high-quality health care to the residents of this State;

E. Develop proposals for consideration by the legislative oversight committee on potential methods to improve consumer experience with the health care system, including the provision of a consumer advocacy function on health care matters not addressed by the Health Insurance Consumer Assistance Program established in Title 24-A, section 4326 or the Department of Professional and Financial Regulation, Bureau of Insurance, Consumer Health Care Division established in Title 24-A, section 4321; and

F. Provide staffing assistance to the Maine Prescription Drug Affordability Board established in Title 5, chapter 167, at the request of the board and with the approval of the Legislative Council.

4. Data; confidentiality. Data provided to the office under subsection 3 is confidential to the same extent it is confidential while in the custody of the entity that provided the data to the office.

5. Supervision; employees. The director shall supervise the staff of the office in accordance with policies adopted by the legislative oversight committee and consistent with the policies of the Legislative Council. The director shall prepare and present a biennial budget to the Legislative Council for its approval. Employees of the office must be nonpartisan. Employees of the office are employed by and are responsible to the director, who shall hire and fix the compensation of each employee, subject to the approval of the Legislative Council and within resources available in the biennial budget.

6. Coordination with other entities. The director may contract with individuals or entities and may seek assistance and coordinate efforts in accordance with this chapter with other agencies or divisions of State Government and with other entities as long as the contract, assistance or coordination does not present a conflict of interest. For the purposes of this subsection, "conflict of interest" means an association, including a financial or personal association, that has the potential to bias or have the appearance of biasing the office's decisions or the conduct of the office's activities.

§1023. Advisory Council on Affordable Health Care

The Advisory Council on Affordable Health Care, established in Title 5, section 12004-I, subsection 31-B, is an advisory council to the office on matters affecting the cost of health care in this State.

1. Duties of advisory council. The advisory council shall advise the office on matters affecting the cost of health care in this State.

2. Membership. The advisory council consists of ~~130~~ members as follows:

A. ~~Eight~~~~Eleven~~ members of the advisory council appointed as follows, subject to review by the legislative oversight committee and confirmation by the Senate:

(1) ~~Six~~~~Four~~ members appointed by the President of the Senate, including one member who represents hospital interests, one member who represents primary care provider interests, one member who represents the interests of older residents of this State, ~~one member who represents~~

behavioral health specialists, one member who is an academic specializing in health economics and research and one member who represents a health care consumer advocacy organization; and

(2) ~~Five~~ members appointed by the Speaker of the House, including one member who represents health insurance interests, one member who represents purchasers of health care, one member with demonstrated expertise in health care delivery, health care management at a senior level or health care finance and administration, one member who is an academic specializing in health economics and research and one member who represents the health care workforce; and

B. At the invitation of the President of the Senate and the Speaker of the House, 2 ex officio nonvoting members:

(1) The Commissioner of Health and Human Services or the commissioner's designee; and

(2) The Commissioner of Administrative and Financial Services or the commissioner's designee.

3. **Terms of office.** Appointed members of the advisory council serve 5-year terms and may be reappointed. A vacancy for an unexpired term must be filled in accordance with subsection 2, paragraph A or B. A member may serve until a replacement is appointed and qualified.

4. **Chair; vice-chair.** The advisory council shall annually elect a chair and a vice-chair from among its members.

5. **Quorum.** Five voting members of the advisory council constitute a quorum.

6. **Affirmative vote.** An affirmative vote of a majority of the voting members is required for any action taken by the advisory council.

7. **Meetings.** The advisory council shall meet at least once every 2 months and may also meet at other times at the call of the chair. Meetings may be cancelled or postponed at the discretion of the chair. All meetings of the advisory council are public proceedings within the meaning of Title 1, chapter 13, subchapter 1.

8. **Recusal.** A member of the advisory council with a conflict of interest shall elect to be recused. For purposes of this subsection, "conflict of interest" means any instance in which a member, staff member or contractor of the advisory council or an immediate family member of the member, staff member or contractor of the advisory council has received or could receive either of the following:

A. A direct financial benefit of any amount deriving from the results or findings of a study or determination by or for the advisory council; or

B. A financial benefit from individuals or companies that own or manufacture prescription drugs or health care services or items to be studied by the advisory council that in the aggregate exceeds \$5,000 per year. For purposes of this paragraph, "financial benefit" includes honoraria, fees, stock or other financial benefit and the current value of already existing stock holdings, in addition to any direct financial benefit deriving from the results or findings of a study or determination by or for the advisory council.

§1024. Annual public hearing

Beginning in 2022, the office shall convene an annual public hearing on cost trends no later than October 1st annually. The hearing must provide an opportunity for public comment on health care cost trends. The advisory council, the legislative oversight committee and the director shall preside over the hearing.

§1025. Annual report

No later than January 1, 2023 and annually thereafter, the office shall submit an annual report to the legislative oversight committee and the advisory council of its findings in accordance with this chapter. The

report must include a summary of comments received at the annual public hearing convened under section 1024.

Sec. 2. 5 MRSA §12004-I, sub-§31-B is enacted to read:

31-B.

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Sec. 3. Annual reports for 2023 and 2024. The annual reports due pursuant to the Maine Revised Statutes, Title 5, section 1025 for the calendar years 2023 and 2024 must include, in addition to the requirements contained in section 1025, recommendations to the joint standing committees of the Legislature having jurisdiction over health coverage, insurance and health and human services matters regarding how to ensure appropriate public health infrastructure throughout the State and how to develop the most effective consumer resource for health care issues that extend beyond access to health insurance coverage.

Sec. 4. Staggered terms; Advisory Council on Affordable Health Care. Notwithstanding the Maine Revised Statutes, Title 3, section 1023, subsection 3, of the members initially appointed to the Advisory Council on Affordable Health Care, 3 members must be appointed to serve initial terms of 2 years, 3 members must be appointed to serve initial terms of 3 years and 2 members must be appointed to serve initial terms of 4 years.

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.