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Senator, District 30

THE MAINE SENATE
130th Legislature

388 Broadturn Road
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Joint Standing Committee on Health Coverage, Insurance and Financial Services
Introducing LD 1317, “An Act To Regulate Insurance Carrier Concurrent, Prepayment and Postpayment Review”

April 13, 2021

Senator Sanborn, Representative Tepler and honorable colleagues of the Health Coverage, Insurance and Financial Services Committee, I am Senator Stacy Brenner and I represent Senate District 30, which includes Gorham, most of Scarborough and part of Buxton. I’m here today to introduce LD 1317, “An Act to Regulate Insurance Carrier Concurrent, Prepayment and Postpayment Review.”

I was asked to introduce this bill by the Maine Chapter of the American Physical Therapy Association after at least three of their members were subjected to prepayment reviews by an insurance company, and the process put them at risk of losing their 20 plus year old businesses. These are all in-network, quality providers who are leaders in their profession. I know that because I have referred pregnant and postpartum patients to at least one of these practices from my midwifery practice. This bill would set up guidelines for when insurance carriers perform audits and reviews, such as a prepayment review, of a provider’s documentation and records. While these providers had issues with the prepayment review process, the bill applies to all forms of medical records reviews – concurrent (while treatment is in progress), retrospective (which are done after payment has been made) and pre-payment (reviews performed after the service is provided but before payment is made).

I want to first tell you what this bill will not do. It would not stop a carrier from doing their due diligence to root out fraud, waste or abuse, and I am willing to work with the carriers if they think the provisions in this bill will interfere with their ability to do that. But what we are seeing is good providers – whose audits proved they were not committing fraud, waste or abuse, are still being put on prepayment review for minor documentation errors or omissions. This is the situation we are trying to fix.

I will not go through every provision in this bill in my testimony today, but overall, this bill attempts to make the prepayment review process fairer for our small, locally owned health care providers that are so critical to communities across Maine. This is particularly important for allowing the growth and development of healthcare services by independent practitioners in rural

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communities. The bill streamlines the review process, requires that providers have the ability to submit documentation electronically, allows for appeals and ensures claims will be dealt with in a more timely fashion.

I have been in conversation with the industry and the Bureau regarding amendments to the bill that will help make the legislation clear and effective at achieving the goal while addressing the concerns raised by the Bureau. We are committed to working together in advance of the work session to deliver a bill that elucidates roles, responsibilities and procedures.

I want to reiterate that the providers you will be hearing from today who have had experiences with prepayment reviews are not afraid of being reviewed. They are afraid of unfair reviews or reviews that delay payments to the point of putting their business at risk. The review process is a necessary one, but we should not allow it to push business to the brink of failure.

Thank you for your time and I would be happy to try and answer any questions you might have at this time but I believe your questions are best directed at those coming after me who have a closer relationship to the problem.