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**TESTIMONY OF ERIC A. CIOPPA
SUPERINTENDENT OF INSURANCE
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DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION**

In Opposition to L.D. 1317

**“An Act To Regulate Insurance Carrier Concurrent, Prepayment and
Postpayment Review”**

Presented by Senator Stacy Brenner

**Before the Joint Standing Committee on Health Coverage, Insurance &
Financial Services**

April 14, 2021 at 11:00 a.m.

Senator Sanborn, Representative Tepler, and members of the Committee, I am Superintendent of Insurance Eric Cioppa. I am here today to testify in opposition to L.D. 1317.

This bill proposes a new section in the Health Plan Improvement Act to create requirements for carrier audits intended to identify fraud, waste or abuse, to determine whether documentation shared by the provider is adequate for claims payment, and to determine whether care was medically necessary in paying a



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claim. It also states that for any claim denied or disputed, the provider has the same first and second level appeal rights as do consumers under the Bureau's Rule 850 requirements for adverse health care treatment decisions.

This bill puts the Bureau in the position of monitoring the carrier/provider relationship and addressing problems regarding payments to providers. To date, these have been considered contracting issues that do not involve the Bureau. These duties would expand the Bureau's Consumer Health Care Division's original statutorily determined purpose. Accordingly, this bill would contain a fiscal note.

Subsection L, which directs the Superintendent to consider provider appeals and complaints as if they were filed by the enrollee when the enrollee designates a provider as their representative duplicates an already existing appeal and external review process. The Bureau permits providers to represent enrollees in appeals or external reviews when enrollees would be held liable for the charge by the provider if the claim denial were upheld. Also, the Bureau has always required the consumer's signature before starting an investigation, even if the provider assists the consumer with the complaint narrative, in order to meet statutory privacy requirements; it is unknown whether avoiding this consumer sign-off would create problems in complying with those privacy laws.

We realize this bill is intended to address a problem sometimes experienced by independent providers in dealing with disputes over claims with the carriers. We are sympathetic to this problem, but disputes between providers and carriers are contract matters.

Last, we are also concerned that Section 2 of the bill, concerning application to prepayment reviews pending as of the bill's effective date. Legislation usually applies prospectively, and we think that is appropriate here.

Thank you, I would be glad to answer any questions now or at the work session.