



TESTIMONY OF THE MAINE HOSPITAL ASSOCIATION

In Support Of

[LD 530](#) - *An Act To Consolidate Patient Bills by Directing Health Insurers To Collect Copayments and Deductibles*

April 20, 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 530.

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.

Hospitals vs. Carriers. Much of the conversation may involve (or devolve) into a debate about fairness between hospitals & carriers. I believe there are a number of reasons why it is not just better for carriers to collect their co-pays and deductibles; its is also fairer.

The best public policy combines authority and responsibility. Since the carriers have the authority to create co-pays and deductibles, they should have the responsibility to collect them. They are insulating themselves from their decisions to dramatically increase out-of-pocket costs for the public.

Even if this bill were to pass, providers will still be dealing with collecting co-pays and deductibles for the plans the state does not regulate. All LD 530 does is share the burden between providers and carriers. Its time they started to carry some of the load they created.

The Patient. At then end of the day though, the issue should be decided by which system is better for the patient. The status quo or LD 530. We believe it is fairly clear that the patient experience will improve with the passage of LD 530.

Timeliness of billing. In response to the amount of legislation on this topic over the years and the high hurdles to successfully change the system, we went looking for an alternative that might actually work. We found an idea in Colorado that was simple and clear. And once discovered an obvious fact jumps out at you: Including providers in the billing collection process is pointless. It is a needless step that can be removed. You don't have to be a systems engineer to know that one should always remove unnecessary steps in process in order to eliminate risks of mistake and to increase efficiency. That's what LD 530 does.

Once the back-and-forth of claim adjudication is over, the carriers (not the providers) possess all the information necessary to collect payment from the patient. The biggest piece of information at the

end of claim adjudication is: where in the deductible is the patient – that is information the carriers have. There is simply no reason to include providers. And by including providers, you increase risks of error and delay-with no corresponding benefit. Make the system better – take the providers out.

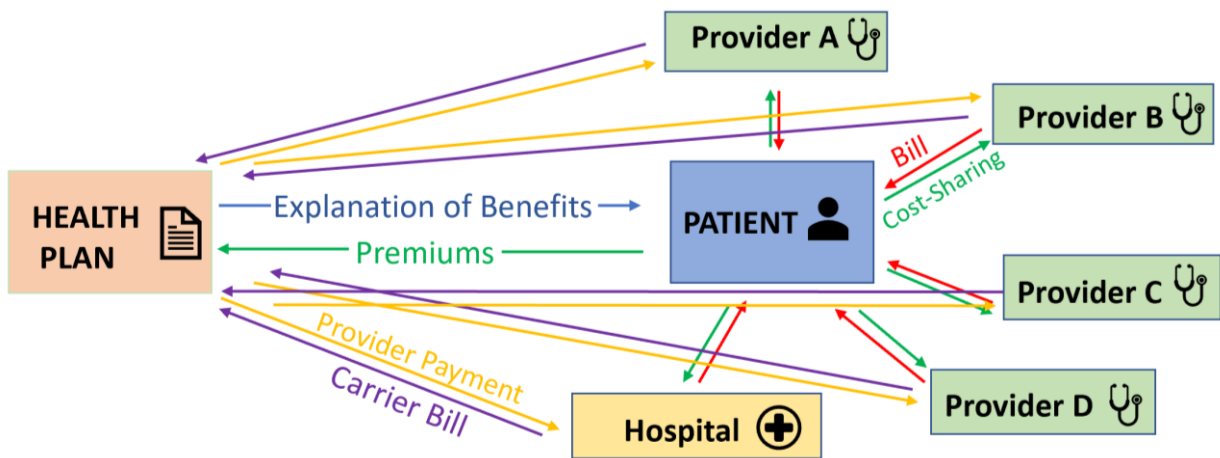
Consolidation of Billing. This second aspect of the legislation is a natural result of the first aspect. Once carriers are the entity collecting co-pays and deductibles, the Legislature can more easily regulate the process. Carriers receive all the claims, and if you choose to do so, you can create requirements to bundle those claims into a single statement to the patient.

As Sen. Claxton mentioned, this is not mandated in the bill, but is something the Committee could direct the Bureau to implement through rulemaking.

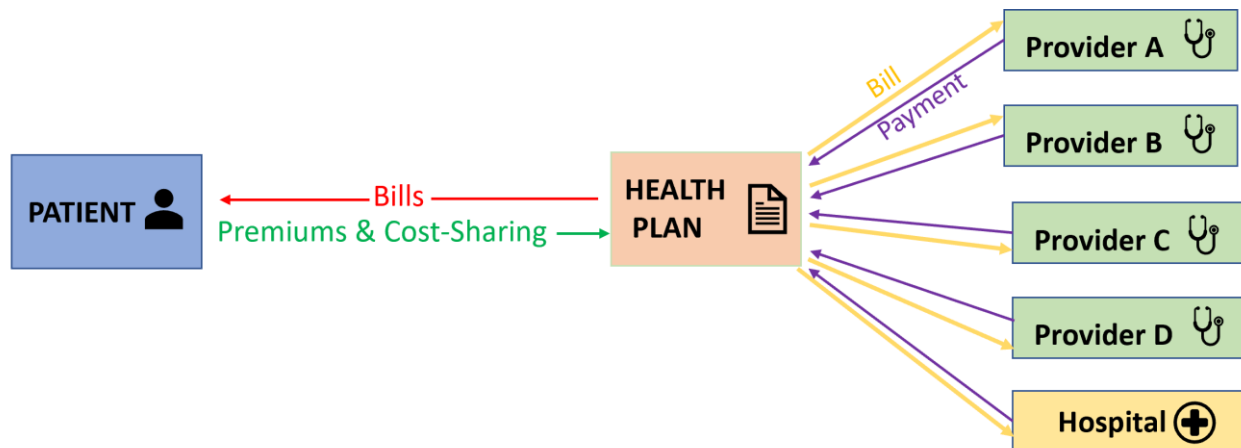
It is obviously so much easier to envision how you can regulate a few carriers than it is to regulate distinct providers.

Pictures. Below are some graphics from the Colorado Hospital Association that illustrate the dual benefits of this bill.

Status Quo:



LD 520:



Upfront Payment Remains Intact. Some providers, frequently dentists or private PTs, will require upfront payment from the patient, often via credit card. The provider then submits the claim to the carrier and the carrier then remits a reimbursement check back to the patient. LD 530, as drafted, empowers the provider to choose to continue with that system. There are neither timeliness issues in these situations, nor are there multiple providers. This system does not need to be fixed and so I would suggest we allow those providers to continue to use that system.

Conclusion. The principal goal of LD 530 is to improve the billing system from the perspective of the patient. There is fallout to the carriers, the Bureau and providers. But, reforming the current system takes work. We believe the work called for by LD 530 is worth it.

Thank you.