



Janet T. Mills
Governor

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF INSURANCE
34 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0034

Eric A. Cioppa
Superintendent

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

Neither for nor Against L.D. 530

“An Act To Consolidate Patient Bills by Directing Health Insurers To Collect Copayments and Deductibles”

Presented by Senator Claxton

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

April 20th, 2021 at 10:00 a.m.

Senator Sanborn, Representative Tepler, and members of the Committee, I am Superintendent of Insurance Eric Cioppa. I am here today to testify neither for nor against L.D. 530.

This bill would change the way cost-sharing charges are collected from the consumer. As you know, providers usually collect copays at the time of service or bill the consumer after submitting the claim to the carrier. The bill would require carriers to pay these amounts to providers directly and collect the applicable amounts from the consumers in one consolidated bill for



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OFFICES LOCATED AT 76 NORTHERN AVENUE, GARDINER, MAINE 04345
www.maine.gov/insurance

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Fax (207) 624-8599

each episode of care. The bill would prohibit carriers from requiring or providing incentives to providers to collect these charges from consumers, or from requiring or providing incentives to consumers to pay these charges directly to providers. It also would prohibit carriers from cancelling consumers' coverage for failure to pay copayments, co-insurance or deductible amounts and from delaying payment to the provider. Payment to pharmacies would not be subject to these requirements.

The Bureau generally supports efforts to simplify health care billing, but we question whether this bill would achieve that goal, and we are unclear what problem the bill is trying to solve. For example, if it means to stop providers from sending consumers who do not pay their cost-sharing amounts to collections, then we would recommend that it say so more clearly. The prohibition on cancelling coverage for not paying the cost-sharing amounts could leave insurers liable for the amounts consumers fail to pay, which could adversely impact premiums. We also note the phrase "episode of care" is unclear. If the intent is to apply to "date of service," we think that would be clearer. Last, the Bureau has not received complaints on this issue from consumers.

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