

Testimony in Opposition to LD 530:

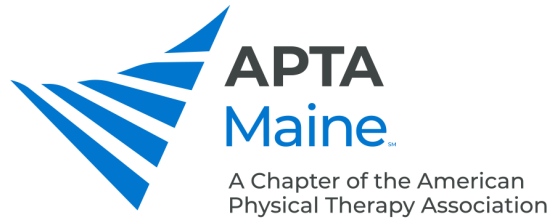
An Act To Consolidate Patient Bills by Directing Health Insurers To Collect Copayments and Deductibles

Senator Sanborn, Representative Tepler and Honorable Members of the HCIFS Committee:

My name is Gwen Simons. I am the lobbyist for the Maine Chapter of the American Physical Therapy Association. I am a physical therapist myself and a healthcare lawyer in Scarborough. The Maine APTA represents over 2500 physical therapists (PTs) and physical therapist assistants (PTAs) in Maine.

From the testimony of the proponents, this bill appears to be designed to solve hospital collection and bad debt problems. It does not resolve any problems that private practices have. ***In fact, it creates substantial new problems.***

1. If the intent of this bill is to *prohibit* private practices from collecting copays, coinsurance and payments that are subject to a deductible, private practice PTs are strongly opposed to LD 530. Private practices collect patient copays, coinsurance and payments that go toward deductibles at the time of service. With deductibles being high, direct patient payments to a practice can be 30 – 40% of a practice's collections. Practices count on the prompt collection of this money to fund their payroll. If this bill were to pass, practices may have to seek a line of credit just to cover their monthly expenses even if the payment delays were only for 30 days.
2. Private practices can't rely on insurance carriers to make prompt payment, so delays are likely to be much longer than 30 days. It is not unusual for a practice to have 20-30% of their 90+ day A/R. You heard testimony last week on LD 1317 from providers on prepayment review who were experiencing payment delays for 9-12 months and more. This problem is not limited to those on prepayment review. If we add patient responsible payments to this, it further financially harms a small practice.
3. Since this law will only apply to less than 30% of health plans that are regulated by the state, it merely serves to create confusion for practices about which patients they can collect payments from.
4. If carriers have to reduce payments to providers to cover their administrative cost, substantial harm will be done to private practitioners. Reimbursement rates to private practice PTs has not kept up with inflation in the last 10-15 years, so these providers will not be able to accept reduced reimbursement. Yet they are not large enough to be able to negotiate rates with carriers. Provider costs will not be substantially reduced by shifting this collection responsibility to carriers and reimbursement cuts will be presented as a take it or leave it contract amendment. When that happens, private practitioners may have no choice but to go out of network.



5. Private practitioners do *not* want disputes about patient payments to have to be settled through their arbitration clauses in their provider agreements. That will be cost-prohibitive for providers. Few disputes arise when the patient pays for their share at the time of service. We believe this bill will only increase disputes and make it impossible for providers to settle them.

6. The bill also appears to apply to *all* providers, even out of network providers where the health plan offers out of network benefits. If that is correct, and if the bill *prohibits* providers from directly collecting patient responsible payments, then it constructively forces out of network providers to accept assignment. A growing number of private practice PTs are staying out of network because they do not want to deal with insurance carriers at all. It would be wrong to pass a law that requires providers to deal with insurance carriers and accept assignment against their will and against their best business interests. Equally important, if the carrier reduces the allowed amount for out of network services, this bill will harm consumers since the patient is responsible for the balance of their bill.

This bill presents significant risks to all private practitioners in Maine. Therefore, we urge you to vote "Ought Not To Pass" on LD 530. If you decide to move forward with it, we ask that amend the bill to exclude private practice physical therapists (or all private practitioners) in Section 7 along with pharmacy providers.

Thank you for your careful consideration of this bill. Please feel free to contact me if you have any questions or need more information.

Sincerely,

A handwritten signature in dark ink that reads "Gwen Simons, Esq. PT, OCS, FAAOMPT". The signature is written in a cursive style.

Gwen Simons, Esq, PT, OCS, FAAOMPT
Lobbyist, Maine Chapter APTA

Gwen Simons
Maine Chapter APTA

Attached written testimony to supplement my verbal testimony at the Public Hearing.