



April 21, 2021

From: Joel Allumbaugh
President
The Allumbaugh Agency
Visiting Fellow
The Foundation for Government Accountability

RE: L.D. 365

To the Distinguished Members of the Joint Standing Committee on Health Coverage, Insurance & Financial Services:

I come before you today in support of L.D. 365, An Act to Protect Consumers from Surprise Medical Bills.

I would like to take this opportunity to introduce The Allumbaugh Agency. We are a full-service employee benefit agency specializing in the design and administration of employee benefit plans. Our customers are Maine small businesses and their employees. I am also a Visiting Fellow with the Foundation for Government Accountability, a non-partisan, non-profit organization that strives to improve health care policy in the states and Washington, D.C.

This bill aims to enhance protections for consumers from high priced medical services and the most harmful effects of medical debt. It protects consumers from the most harmful effects of balance billing by disallowing a provider from reporting medical debt to a consumer's consumer report for an emergency treatment or facility charge that is in excess of the consumers insurance plan payment and legitimate out-of-pocket cost from deductibles, coinsurance and co-pays.

Consumers need protection. Medical debt remains the leading cause of bankruptcy for individuals with health insurance in this country which makes clear the need for enhanced protections.

This bill rewards good behavior by only protecting individuals who have health insurance coverage and pay their legitimate out-of-pocket expenses.

Insurers can still steer patients to in-network providers. Nothing in this bill prevents insurers from imposing higher out-of-pocket costs for out-of-network care, and patients remain responsible to pay those legitimate out-of-pocket costs as specified in their insurance plan.

Out-of-network provider charges are not restricted. This bill does not impose limits or restrictions on what any medical provider can charge. It simply states that a provider cannot try to impair a consumer's credit if they choose to bill and collect amounts in excess of the patient's insurance plan payments and patient's out-of-pocket payments.

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Thank you for your consideration. I urge you to build upon Maine's important steps to protect Maine consumers from the harmful effects of medical debt and vote ought to pass on LD 365.

Respectfully Submitted,

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