



**Northern Light
Health**

LD 1533 An Act to Provide for Consistent Billing Practices by Health Care Providers

**Testimony in Opposition
April 24, 2023**

Senator Bailey, Representative Perry and members of the Health Coverage, Insurance and Financial Services Committee, my name Lisa Harvey-McPherson RN. I am here today providing testimony on behalf of Northern Light Health and our member organizations speaking in opposition to this bill. Northern Light Health member organizations include 10 hospitals located in southern, central, eastern and northern Maine, 8 nursing facilities, air and ground ambulance, behavioral health, addiction treatment, pharmacy, primary and specialty care practices and a state-wide home care and hospice program. Ninety three percent of Maine's population lives in the Northern Light Health service area. Northern Light Health is also proud to be one of Maine's largest employers with more than 10,000 employees statewide.

Northern Light Health outpatient service providers treat more patients from medically underserved populations who tend to be sicker and more complex to care for than patients treated in independent physician offices and ambulatory surgical centers. The American Hospital Association completed a national study comparing hospital outpatient services to independent providers. The data documents that patients cared for by hospital outpatient providers are:

- 73% more likely to be dually eligible for Medicare and Medicaid;
- 52% more likely to be enrolled in Medicare through disability or end-stage renal disease (ESRD);
- 31% more likely to be non-white;
- 62% more likely to be under age 65 and, therefore, eligible for Medicare based on disability, ESRD or amyotrophic lateral sclerosis (ALS); and
- 11% more likely to be over 85 years old

The costs of care delivered by Northern Light Health hospitals and practices is different than independent practices or ambulatory surgery centers as care we for the unique needs of each community we serve. Hospitals are the only health care provider that must maintain emergency standby capability 24 hours a day, 365 days a year. This standby role is built into the cost structure of our hospitals and supported by revenue from direct patient care — a situation that does not exist for any other type of provider. We provide 24/7 emergency care to all who come through our doors, regardless of ability to pay or insurance status. All services, including hospital outpatient provider services, are included in the Northern Light Health charity care and financial assistance policies.

Hospitals are also subject to more comprehensive licensing, accreditation and regulatory requirements than other settings. This includes the Emergency Medical Treatment and Labor Act (EMTALA), stricter requirements for disaster preparedness and

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Northern Light Health

Acadia Hospital
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Blue Hill Hospital
C.A. Dean Hospital
Eastern Maine Medical Center
Home Care & Hospice
Inland Hospital
Maine Coast Hospital
Mayo Hospital
Mercy Hospital
Northern Light Health Foundation
Northern Light Laboratory
Northern Light Pharmacy
Sebasticook Valley Hospital

response, stringent ventilation and infection control codes, quality assurance, accreditation, and fire and life safety codes.

Caring for people in our communities irrespective of payer source results in a much higher volume of Medicare and MaineCare patients than independent practices that do not have the same community service mission. This results in significant government underpayment for our services. In fiscal year 2022 we experienced the following unpaid cost of public programs: Medicare \$208,557,110 and Medicaid \$112,656,916. More information regarding the benefit Northern Light Health provides to communities throughout the State of Maine is detailed in our annual community benefit report. <https://northernlighthealth.org/getattachment/Community-Health-Needs-Assessment/Community-Benefit-Reports/Community-Benefit-2022-online-version-FINAL.pdf.aspx?lang=en-US>

Northern Light Health is proud of our service to the people of Maine during the COVID-19 pandemic. We administered over 400,000 doses of vaccines to support public health and cared for thousands of COVID-19 patients that were acutely ill. We continue to work our way through recovering from the significant financial impact. Our expenses in FY 22 were \$168 million dollars higher than they were in FY 21 resulting in a financial loss of \$132 million dollars. We are not an outlier, hospitals in Maine and nationally are struggling financially.

Should this harmful bill reducing payment for hospital outpatient services pass, hospitals will be forced to reduce or eliminate outpatient services. Hospitals and health systems no longer have the operating margins to offset losses. We ask that you vote in opposition to this bill.

Thank you.