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**TESTIMONY OF ERIC A. CIOPPA  
SUPERINTENDENT OF INSURANCE  
BUREAU OF INSURANCE  
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION  
Neither for nor Against L.D. 945  
“An Act Regarding Notice by Health Insurance Carriers of Policy Changes”  
Presented by Representative Joshua Morris  
Before the Joint Standing Committee on Health Coverage, Insurance &  
Financial Services  
April 6, 2021 at 2:00 p.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. 945.

This bill would amend a provision in the Insurance Code that requires a health insurance carrier to provide notice to a participating provider of a proposed amendment to a provider agreement. The bill would require that this notice be provided in writing to a provider and that the notice be the only subject of the written communication.



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Although there are a few provisions<sup>1</sup> in the Insurance Code that pertain to carriers' agreements with participating providers, such as the notice provision that this bill proposes to amend, these agreements have largely been left to private contract negotiation, with carriers and providers free to contract with limited government oversight.

It seems reasonable to require that the notice be in writing and that it be the only subject of the written communication so that the notice is not buried in a communication involving other matters and potentially overlooked by a provider.

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

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<sup>1</sup> See 24-A M.R.S. §§ 4303(3-A) (termination or nonrenewal of provider contract), 4303(8-A) (provision on balance billing by participating providers), 4303(17) (prohibition on most favored nation clauses), 4303(18) (provider contract requirements), 4308 (indemnification provision), and 4317 (pharmacy provider contracts).