



May 11, 2023

The Honorable Donna Bailey
Senate Chair, Joint Standing Committee on Health Coverage, Insurance, and Financial Services
3 State House Station
Augusta, ME 04333

The Honorable Anne Perry
House Chair, Joint Standing Committee on Health Coverage, Insurance, and Financial Services
2 State House Station
Augusta, ME 04333

RE: 5/11/23 Public Hearing and United States of Care's Support for LD 1795

Dear Chair Bailey, Chair Perry, and Members of the Committee,

Thank you for the opportunity to provide testimony in support of [LD 1795](#), commonsense legislation that would establish reasonable limits on facility fees charged to patients by hospitals and health systems. United States of Care (USofCare) is a non-partisan, non-profit organization working to ensure [everyone](#) has access to quality, affordable health care, regardless of health status, social need, or income. In the past, we have highlighted Maine's transition to a state-based marketplace exchange and its innovative Maine Guaranteed Access Reinsurance Association (MGARA) as two initiatives pioneered by the state to expand access to coverage and improve health care affordability.

Unfortunately, despite this meaningful action taken by the Legislature, health care remains unaffordable for many in Maine. More than [one third](#) of Mainers have reported delaying medical care due to the cost of health care, which remains some of the [most expensive](#) in the country. One of the main drivers of increasing health care costs can be traced to [health care consolidation](#) in Maine and nationwide, which has led to less competition and higher prices for patients, usually with no corresponding increase in quality of care.

As hospitals and health systems purchase outpatient clinics, such as primary care physician offices and imaging centers, they are increasingly billing for "facility fees" in addition to the traditional "professional" fee. These facility fees, which can sometimes exceed the cost of the underlying medical care itself, often come as a surprise to patients, who may or may not be able to pay them. In one particularly egregious example, a Kennebunkport man received an [\\$813 facility fee](#) charge for a \$45 routine procedure despite calling his insurance company ahead of time to check on the price.

Limits on facility fees lower people's out-of-pocket costs while also serving as a tool to disincentivize hospital acquisitions of outpatient facilities that do little to improve families' access to care. In fact, this type of consolidation – physician-hospital integration – has been

associated with an [average price increase of 14%](#) for the same service. Tacking on these fees, on top of price increases, doesn't guarantee any additional quality of care; rather, patients are just paying more for the same service they could receive at an independent clinic and further discouraged from accessing needed care because of cost.

[LD 1795](#) tackles this question head on by putting in place strong limits on when and where facility fees can be charged to patients. The bill would prohibit hospitals from charging patients facility fees for all services offered by a hospital or health system off-campus and a select number of services delivered regardless of location, including primary care doctor visits and many diagnostic or imaging services. To fully quantify the effect facility fees have on people's access to care, the bill would also require hospitals and health systems to submit annual reports listing the name and address of facilities that charge facility fees, the total amount of revenue collected from these fees, and a list of the top ten procedures or services that generate the most facility fee revenue. This information would be posted publicly to help inform patients seeking medical care and avoid any unplanned facility fee charges.

Momentum is growing to reign in these surprise costs. [Connecticut](#) has led the way in banning facility fees for telehealth services and many outpatient office visits and requires hospitals to notify patients of any allowable fees prior to point of service. In December, New York became the [first state](#) to ban facility fees specifically for preventive care, while [Indiana](#) passed a sweeping ban on facility fees earlier this month that limits what billing forms providers and institutions can use. Legislation to limit facility fees for preventive services in [Colorado](#) is headed to the Governor's desk, and bills are currently being advanced in [Massachusetts](#), [North Carolina](#), and [Texas](#). With Maine leading in so many other ways on health care, this bill is a logical next step to address high health care costs and protect patients.

United States of Care is supportive of LD 1795 and strongly encourages a “yes” vote in support of this bill that takes steps to ensure that Mainers have access to the medical care they need without worrying about its cost. We thank the committee for its work on this issue and urge the committee to consider United States of Care a resource moving forward. Please do not hesitate to reach out if you have any questions.

Sincerely,

Caitlin Westerson
State Partnerships & External Affairs Director
United States of Care
cwesterson@usofcare.org
(970) 589-7424

Eric Waskowicz
Policy Manager
United States of Care
ewaskowicz@usofcare.org
(717) 419-1485