



# Maine Medical Association

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• SUPPORT Maine Physicians • ADVANCE the quality of medicine in Maine • PROMOTE the health of all Maine people

TO: Committee on Health Coverage, Insurance and Financial Services

FROM: Dan Morin, Director, Communications and Government Affairs

DATE: May 11, 2023

RE: **OPPOSE – LD 1795**, "An Act to Ensure Access to Federally Approved Opioid Overdose-reversing Medication"

The Maine Medical Association is Maine's largest and oldest professional physician association representing over 4,300 current and future physicians from all specialties in all practice settings.

The MMA opposes any legislative effort to eliminate facility fees from hospital reimbursement in Maine. MMA membership includes physicians in all practice settings – solo "direct primary care" practitioners, traditional small private practices, a few large private practices, federally-qualified health centers, ambulatory surgical facilities, independent hospitals, and large integrated health systems.

Because of the evolution of our health system over time, each of these practice settings has a somewhat different reimbursement methodology on which the organization has built a business model. In the absence of comprehensive health care reform in this country, MMA opposes changes to reimbursement methodologies that have become part of our health care system and on which health care organizations have come to depend. Most policymakers are aware of the significant financial stress currently being experienced by our hospitals and other health care organizations because of the COVID-19 pandemic.

The reimbursement methodology at issue in this bill is known as "provider-based" reimbursement which is a component of the federal Social Security Act used by hospitals in Maine and across the country to provide essential services to their communities, particularly in

**The Maine Medical Association is a statewide volunteer organization formed in 1853, serving more than 4,300 current and future Maine physicians in all clinical specialties, organizations, and practice settings.**

rural areas, where the cost, complexity, and administrative burden of our health care system were driving physicians and other practitioners out of independent, private practices and promoting consolidation of health care organizations to achieve economies of scale.

The requirements of “provider-based” reimbursement may be found at 42 CFR sec. 413.65. This program enables hospital-based outpatient medical practices to draw a “facility fee” in addition to a “professional fee” if they meet certain standards designed to enhance the services those practices are able to provide to their communities.

In marketing, outreach, and patient education efforts, it must be clear to the public that these medical practices are part of the integrated hospital system. These practices are also financially and clinically integrated with the hospital. The hospital is providing a broad range of support services in these three areas and the facility fee is supporting the hospital’s ability to provide these services. This legitimate federal reimbursement program is largely responsible for supporting the primary and preventive care safety net in much of rural Maine.

Thank you for your attention to our comments. We urge a vote of Ought Not to Pass.