

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1222

H.P. 913

House of Representatives, March 22, 2011

An Act To Promote Fairness in Negotiations between Health Insurance Carriers and Health Care Service Providers

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative TREAT of Hallowell.
Cosponsored by Senator BRANNIGAN of Cumberland and
Representatives: EVES of North Berwick, GRAHAM of North Yarmouth, PETERSON of
Rumford, SANBORN of Gorham.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 24-A MRSA §4303, sub-§15** is enacted to read:

3 **15. Prohibition on "most favored nation" clauses.** A participation agreement
4 between a carrier and a provider may not include a provision, commonly referred to as a
5 "most favored nation" clause, that:

6 A. Prohibits, or grants the carrier an option to prohibit, the provider from entering
7 into a participation agreement with another carrier to provide services at a lower price
8 than the payment specified in the participation agreement;

9 B. Requires, or grants the carrier an option to require, the provider to accept a lower
10 payment in the event the provider agrees to provide services to any other carrier at a
11 lower price;

12 C. Requires, or grants the carrier an option of, termination or renegotiation of the
13 existing participation agreement in the event the provider agrees to provide services
14 to any other carrier at a lower price; or

15 D. Requires the provider to disclose its reimbursement rates from other carriers.

16 **SUMMARY**

17 This bill prohibits the inclusion of so-called "most favored nation" clauses in the
18 participation agreements between health insurance carriers and health care service
19 providers.