

MAINE STATE LEGISLATURE

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L.D. 2196

Date: 4/8/26 MAJORITY

(Filing No. H-1033)

HEALTH AND HUMAN SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1475, L.D. 2196, "An Act to Lower Health Insurance Costs, Reduce Barriers to Health Care and Ensure Fair Prices for Health Care"

Amend the bill by striking out everything after the enacting clause and inserting the following:

PART A

Sec. A-1. 5 MRSA §3122, sub-§3, ¶F, as enacted by PL 2021, c. 459, §3, is amended to read:

F. Develop proposals for consideration by the legislative oversight committee on potential methods to improve consumer experience with the health care system, including the provision of a consumer advocacy function on health care matters not addressed by the Health Insurance Consumer Assistance Program established in Title 24-A, section 4326 or the Department of Professional and Financial Regulation, Bureau of Insurance, Consumer Health Care Division established in Title 24-A, section 4321; and

Sec. A-2. 5 MRSA §3122, sub-§3, ¶G, as enacted by PL 2021, c. 459, §3, is amended to read:

G. Provide staffing assistance to the Maine Prescription Drug Affordability Board established in chapter 167;

Sec. A-3. 5 MRSA §3122, sub-§3, ¶H is enacted to read:

H. Review and audit compliance with Title 22, section 1730-B. In carrying out this duty, the office may request from a hospital or an insurer information necessary to review and audit compliance and, upon request, a hospital or an insurer shall provide any requested information. Information provided by a hospital or an insurer is confidential unless a request to review the information is made in accordance with Title 1, section 408-A and the office, in consultation with the Office of the Attorney General, determines that the records do not contain proprietary information. For the purposes

COMMITTEE AMENDMENT

1 of this paragraph, "proprietary information" means information that is a trade secret or
2 production, commercial or financial information the disclosure of which would impair
3 the competitive position of the hospital or insurer submitting the information and would
4 make available information not otherwise publicly available;

5 **Sec. A-4. 5 MRSA §3122, sub-§3, ¶I** is enacted to read:

6 I. Monitor the impact of the implementation of Title 22, section 1730-B on the quality
7 and accessibility of hospital care in this State and on the costs of nonhospital services.
8 The office may adopt rules pursuant to subsection 10 as necessary to address its duties
9 under this paragraph; and

10 **Sec. A-5. 5 MRSA §3122, sub-§3, ¶J** is enacted to read:

11 J. Beginning January 15, 2027 and annually thereafter, report on the impact of the
12 implementation of Title 22, section 1730-B to the joint standing committee of the
13 Legislature having jurisdiction over health and human services matters and to the joint
14 standing committee of the Legislature having jurisdiction over health coverage,
15 insurance and financial services matters. The report must summarize the status of the
16 implementation of Title 22, section 1730-B, its impact on the quality, accessibility and
17 utilization of hospital care in the State and its impact on premiums paid by individuals
18 insured by the state group health plan established in section 285, by an individual health
19 plan, as defined in Title 24-A, section 2736-C, subsection 1, paragraph C, and by a
20 small group health plan governed by Title 24-A, section 2808-B.

21 **Sec. A-6. 22 MRSA §1730-B** is enacted to read:

22 **§1730-B. Hospital facility price growth ceiling**

23 **1. Definitions.** For the purposes of this section, unless the context otherwise indicates,
24 the following terms have the following meanings.

25 A. "General hospital" has the same meaning as in section 7932, subsection 2-A.

26 B. "Hospital facility price" means the total amount a hospital expects to receive for
27 health care services, including both the amount paid to a hospital by any insurer or plan
28 sponsor and any payment received directly from an insured or uninsured individual for
29 institutional services.

30 C. "Individual health plan" has the same meaning as in Title 24-A, section 2736-C,
31 subsection 1, paragraph C.

32 D. "Insurer" has the same meaning as in Title 24-A, section 3952, subsection 6.

33 E. "Plan sponsor" means any person, other than an insurer, that establishes or maintains
34 a health plan covering residents of this State, including, but not limited to, plans
35 established or maintained by 2 or more employers or jointly by one or more employers
36 and one or more employee organizations, associations, committees, joint boards of
37 trustees or other similar groups of representatives of the parties that establish or
38 maintain the plan. "Plan sponsor" does not include the MaineCare program; the federal
39 Medicare program; the Civilian Health and Medical Program for the Uniformed
40 Services, known as TRICARE; the Federal Employees Health Benefits Program; the
41 United States Department of Health and Human Services, Indian Health Service; or
42 any program providing health benefits administered by the United States Department
43 of Veterans Affairs.

1 F. "Small group health plan" means an insurance plan governed by Title 24-A, section
2 2808-B.

3 **2. Hospital facility price growth ceiling. A general hospital may not:**

4 A. Beginning January 1, 2027, enter into a contract with a carrier that issues an
5 individual health plan or a carrier that issues a small group health plan in which the
6 growth of the allowed amount for any inpatient or outpatient facility service, for the
7 services covered by such plans, exceeds a percentage equal to the inpatient prospective
8 payment system annual hospital market basket update established by the United States
9 Department of Health and Human Services, Centers for Medicare and Medicaid
10 Services for that plan year, except that an acute care hospital with standardized
11 commercial inpatient prices below the national first quartile may enter into a contract
12 with any individual or small group market carrier in which the growth of the allowed
13 amount for any inpatient or outpatient facility service does not exceed a percentage
14 equal to the inpatient prospective payment system annual hospital market basket update
15 established by the Centers for Medicare and Medicaid Services for that plan year plus
16 1%;

17 B. Beginning January 1, 2028, enter into a contract with any administrator of the state
18 employee health insurance program established in Title 5, chapter 13 in which the
19 growth of the allowed amount for any inpatient or outpatient facility service exceeds a
20 percentage equal to the inpatient prospective payment system annual hospital market
21 basket update established by the United States Department of Health and Human
22 Services, Centers for Medicare and Medicaid Services for that plan year; or

23 C. Beginning January 1, 2027, bill or collect payment for any inpatient or outpatient
24 facility service from any out-of-network insurer whose plan would otherwise be subject
25 to the caps in paragraph A or from the state employee health insurance program, subject
26 to the caps in paragraph B, if the hospital is out of network with the state employee
27 health insurance program or from an individual covered by any such plan in an amount
28 that exceeds the hospital's median commercial negotiated rate for that same service as
29 of the effective date of this section by more than the cumulative growth in the inpatient
30 prospective payment system annual hospital market basket update established by the
31 United States Department of Health and Human Services, Centers for Medicare and
32 Medicaid Services for that plan year.

33 Upon the agreement of a carrier and hospital, individual service-level prices may exceed
34 the caps established by paragraphs A to C as long as the average of all price changes,
35 applied against the previous year's service mix, does not result in the growth of prices
36 exceeding a percentage equal to the inpatient prospective payment system annual hospital
37 market basket update established by the United States Department of Health and Human
38 Services, Centers for Medicare and Medicaid Services for that plan year.

39 **PART B**

40 **Sec. B-1. 24-A MRS §2736-C, sub-§2, ¶K is enacted to read:**

41 K. For each rate filing submitted for the 2028 plan year and each plan year thereafter,
42 a carrier shall certify that its contracts with hospitals meet the requirements of Title 22,
43 section 1730-B and provide in a format determined by the superintendent detailed

1 information on the experience period and projected trend in both utilization and per-
2 unit payment by benefit category and by hospital.

3 **Sec. B-2. 24-A MRSA §2808-B, sub-§2-A, ¶D** is enacted to read:

4 D. For each rate filing submitted for the 2028 plan year and each plan year thereafter,
5 a carrier shall certify that its contracts with hospitals meet the requirements of Title 22,
6 section 1730-B and provide in a format determined by the superintendent detailed
7 information on the experience period and projected trend in both utilization and per-
8 unit payment by benefit category and by hospital.

9 **Sec. B-3. 24-A MRSA §4320-A, sub-§3-C** is enacted to read:

10 **3-C. Minimum negotiated rate for certain in-network primary care services or**
11 **behavioral health care evaluation and management services.** The minimum negotiated
12 rate of an individual or small group health plan or the state group health plan established
13 in Title 5, section 285 for any in-network primary care service or behavioral health care
14 evaluation and management service may not be less than the greater of the carrier's
15 negotiated rate with the same provider as of January 1, 2026 and the following:

16 A. For plans with an effective date beginning January 1, 2028 and ending December
17 31, 2028, 100% of the Medicare rate for the same service in the same geographic area;

18 B. For plans with an effective date beginning January 1, 2029 and ending December
19 31, 2029, 105% of the Medicare rate for the same service in the same geographic area;

20 C. For plans with an effective date beginning January 1, 2030 and ending December
21 31, 2030, 115% of the Medicare rate for the same service in the same geographic area;

22 D. For plans with an effective date beginning January 1, 2031 and ending December
23 31, 2031, 125% of the Medicare rate for the same service in the same geographic area;

24 E. For plans with an effective date beginning January 1, 2032 and ending December
25 31, 2032, 135% of the Medicare rate for the same service in the same geographic area;

26 F. For plans with an effective date beginning January 1, 2033 and ending December
27 31, 2033, 145% of the Medicare rate for the same service in the same geographic area;

28 and

29 G. For plans with an effective date from January 1, 2034 and thereafter, 150% of the
30 Medicare rate for the same service in the same geographic area.

31 **PART C**

32 **Sec. C-1. Appropriations and allocations.** The following appropriations and
33 allocations are made.

34 **OFFICE OF AFFORDABLE HEALTH CARE**

35 **Office of Affordable Health Care Z320**

36 Initiative: Provides funding for the Office of Affordable Health Care to contract with
37 external consultants to conduct data analysis and build functionality to support
38 implementation and compliance monitoring.

39 GENERAL FUND	2025-26	2026-27
40 All Other	\$0	\$25,000

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GENERAL FUND TOTAL _____ \$0 _____ \$25,000

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment, which is the majority report of the committee, makes the following changes to the bill.

1. It updates the price growth ceilings to apply only to individual health plans, small group health plans and the state employee health plan.

2. It adds an exception to price growth ceilings for acute care hospitals with standardized commercial inpatient prices below the national first quartile and provides the circumstances under which those hospitals may enter into a contract with an individual or small group market insurer.

3. It adds language providing that, upon the agreement of a carrier and hospital, individual service level prices may exceed the price caps as long as certain criteria are met.

4. It removes provisions establishing maximum prices for inpatient and outpatient hospital services.

5. It removes the requirement that the Office of Affordable Health Care determine whether a hospital is financially distressed.

6. It removes provisions regarding limitations on prior authorizations for treatment of chronic conditions.

7. It clarifies that the minimum negotiated rate requirements for in-network primary care or behavioral health care evaluation and management apply only to individual health plans, small group health plans and the state employee health plan.

8. It adds a graduated implementation period for minimum negotiated rate requirements for in-network primary care or behavioral health care evaluation and management.

9. It adds language requiring the Office of Affordable Health Care to, beginning January 15, 2027, report on the impact of growth caps to the joint standing committee of the Legislature having jurisdiction over health and human services matters and to the joint standing committee of the Legislature having jurisdiction over health coverage, insurance and financial services matters. The report must summarize the status of the implementation of growth caps, their impact on the quality and accessibility of hospital care in the State and their impact on premiums paid by individuals insured by the state employee health plan, individual health plans and small group health plans.

FISCAL NOTE REQUIRED

(See attached)



132nd MAINE LEGISLATURE

LD 2196

LR 2841(02)

An Act to Lower Health Insurance Costs, Reduce Barriers to Health Care and Ensure Fair Prices for Health Care

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-1033)
Committee: Health and Human Services
Fiscal Note Required: Yes

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$0	\$25,000	\$235,295	\$12,086
Highway Fund	\$0	\$0	\$73,146	(\$4,492)
Appropriations/Allocations				
General Fund	\$0	\$25,000	\$235,295	\$12,086
Highway Fund	\$0	\$0	\$73,146	(\$4,492)

Fiscal Detail and Notes

This bill provides General Fund appropriations to the Office of Affordable Health Care of \$25,000 in fiscal year 2026-27 to contract with external consultants to conduct data analysis to implement the reporting requirements within the bill.

There is a potential future biennium General Fund cost increase to the State Employee Health Plan to comply with the provisions of the bill.