

Testimony in Support of LD 813, An Act to Ensure that Hospitals Comply with the Laws Governing Transparency of Medical Billing

Good afternoon, Senator Whittemore, Representative Beck, and distinguished members of the Joint Standing Committee on Insurance and Financial Services, I am Garrett Martin, executive director of the Maine Center for Economic Policy. I am here today to testify in favor of LD 813.

Transparency in health care costs and quality is vital to consumers who seek to get the most cost-effective care. LD 813 increases the power of consumers to obtain cost information in a timely manner, directly from their health care provider. This is vitally important to all Maine consumers. It is absolutely essential for the more than 143,000 nonelderly Mainers who have no health insurance coverage and the tens of thousands of Mainers covered by high deductible plans that require them to pay for much of the costs of health care out of pocket.

For too long, healthcare prices have been incomprehensible for the average consumer. In 2013 the legislature sought to address this by strengthening public disclosure laws regarding health care prices. To date, it is unclear how well Maine's hospitals are complying with these laws. Based on research by nurses in Husson University's baccalaureate nursing program, there is cause for concern. Of 32 Maine hospitals contacted for pricing information on arthroscopic knee surgery, 18 did not supply pricing information. This is particularly troubling since we know there is significant cost variation within Maine's health care system. For example, claims data available through the Maine Health Data Organization reveals a \$2,445 price variation for colon cancer screening in Maine with the highest-priced provider charging \$3,166 and the lowest-priced charging \$721.

As a former board member of the Maine Health Data Organization (MHDO), I acknowledge the myriad complications associated with making apples to apples comparisons in cost between health care providers. That did not stop us from acquiring the information we needed and making it publicly available. The difference between the MHDO and everyday Maine consumers was our ability to assess a fee for non-compliance in providing health cost information. LD 813 levels the playing field by giving individual consumers recourse when health care providers fail to comply with existing laws of public disclosure. It is a reasonable tool for already cash-strapped consumers for whom lack of transparency complicates and too often thwarts their efforts to make their limited health care dollars go further. LD 813 can help address this problem, and I urge you to pass it. Thank you for your consideration.