



March 5, 2026

Joint Standing Committee on Health and Human Services
Maine Legislature
100 State House Station
Augusta, ME 04333

RE: Support [LD 2196](#) to Control Health Care Costs and Improve Health Care Access

Dear Senator Ingwerson, Representative Meyer, and honorable members of the Committee on Health and Human Services:

Thank you for the opportunity to provide written testimony in advance of the March 5, 2026, hearing of the Joint Health and Human Services Committee. On behalf of Families USA, a leading national, nonpartisan voice for health care consumers, **we urge the Committee to pass [LD 2196](#) to rein in high health care costs** and bring real relief to Maine families.

For more than 40 years, Families USA has worked toward a vision of a nation where the best health care is equally accessible and affordable to all. As part of that mission, we work closely with our partners in Maine and other states across the country to support innovative policies that drive down costs, establish critical consumer protections, and improve health for everyone. Maine has demonstrated time and again that the Dirigo state truly leads the nation in this kind of work, passing first-of-its-kind legislation to provide clinical drug trial transparency, to ban long-lasting harmful chemicals known as PFAs, and to establish maximum retail prices for prescription drugs through MaineRx. The Maine State Legislature now has another historic opportunity to build on this remarkable track record by enacting legislation to curb rising costs that jeopardize the financial security of Maine families.

LD 2196 represents a critical step toward holding the health care industry accountable by:

- **Establishing maximum hospital prices:** Limits hospital prices to 200% of the Medicare rate to align prices with the actual costs of delivery, and controls annual price growth.
- **Increasing investments in vital care:** Sets a minimum payment floor for historically underfunded primary care and behavioral health services to ensure long-term system health.
- **Reducing administrative barriers:** Expands limitations on prior authorizations, ensuring that medical necessity – not paperwork – dictates patient care.

The Problem: A U.S. Health Care System in Crisis

Across the country, unchecked health care consolidation has enabled corporate hospital systems to buy up other hospitals and doctor's offices in order to dominate health care markets, rapidly increase health care prices, and maximize service volume.¹ As a direct result, Americans are increasingly struggling to manage rising health care expenses and are fearful of what a medical

emergency could mean for their finances.² More than a quarter of all Americans skip or delay needed health care due to cost and over 100 million people in the U.S. have medical debt totaling over \$200 billion nationally, leading many to make significant sacrifices such as cutting back on necessities like food or taking on credit card debt which they can never pay back.³ High prices driven by unchecked health care consolidation also come directly out of workers' paychecks in the form of higher premiums and out of pocket health care costs, which have resulted in nearly \$1 trillion dollars in lost workers' wages since 2012.⁴

In addition to the direct impact on families and individuals, the impact on state economies is undeniable. In 2021, over 10% of state and local expenditures went to health and hospitals making it the third highest spending category for states.⁵ As a result of rising health care costs, state and local government spending on health and hospitals increased by 266% in inflation-adjusted dollars from 1977 (\$103 billion) to 2021 (\$377 billion).⁶ No state has been spared from high health care spending. Even Utah, which boasts the lowest health care spending per capita (\$7,522), spends notably more on health care than the average spending of wealthy countries (\$6,850 per capita).⁷ Unfortunately but not surprisingly, Maine has not been spared from the impact of high hospital prices on the affordability of health care across the state.

The Crisis of Health Care Affordability in Maine

Mainers face some of the highest health care costs in the country, ranking in the top quartile of per-person health care spending among states.⁸ Data from the Office of Affordable Health Care (OAHC) highlights the local impact:

- **Widespread financial strain:** *More than half* of Mainers report difficulty affording health care.
- **Delayed care:** *Half of residents* have skipped or delayed doctor visits due to cost concerns.
- **Medical Debt:** *Four out of ten* Mainers have taken on medical debt in the past 5 years, with hospital-owned facilities being the most common source of debt.⁹

Hospital costs are the largest component of the state's health care spending,¹⁰ accounting for nearly half of the total.¹¹ Hospital expenditures in Maine increased 164% between 2001–2020, growing more than three times faster than inflation during the same time period.¹² The average cost for inpatient hospital services alone increased by more than 33% in just five years, rising from \$6,548 in 2019 to \$8,728 in 2024.¹³

These hospital prices are not only high, but they are also highly variable. For example, the average price for inpatient stays at Maine Medical Center in Portland is \$34,878 while the price of the same service at St. Mary's Regional Center in Lewiston is \$15,196.¹⁴ Take a knee replacement as another example, where the price at Maine Medical Center is 30% more (\$66,694) than the same procedure just a six-minute drive away at Northern Light Mercy Hospital (\$50,319).¹⁵ Or take the price of an MRI scan which costs \$1,147 at Northern Maine Medical Center but is more than double the price (\$2,449) at Southern Maine Health Care with no meaningful difference in MRI scans to account for that price difference.¹⁶ High levels of price

variation can even occur within the same health system. For example, the average cost of a colonoscopy with polyp removal at the MaineHealth Maine Medical Center in Biddeford is \$9,804 compared to \$7,278 at its system affiliate, Portland Medical Center.¹⁷

These irrational prices are passed on to consumers and families in the form of higher premiums and out of pocket expenses.¹⁸ For example, in 2026, insurance rates for Mainers increased by 23.9% in the individual market and 17.5% in the small group market, increases that insurers themselves attribute to unchecked hospital consolidation and its impact on high and rising health care prices.¹⁹ As a result, Families USA strongly supports LD 2196 and its proposal to restrict pricing abuses driven by corporate hospital systems. Establishing limits on hospital prices as a percentage of Medicare is one of the most effective policy tools available to address the impact of hospital consolidation on rising prices and address the excessive price increases that are pushing Mainers to the brink of financial ruin. Moreover, we support provisions that would establish a minimum level of investment in primary care and behavioral health. For too long, these services have been historically undervalued, contributing to a nationwide shortage of the primary care and behavioral health services families need to achieve their best health.²⁰ This requirement ensures that essential primary and behavioral health care services are accessible and affordable for Mainers and that Maine allocates needed resources to build a robust primary care health care system across the state. A well-resourced primary care system is the bedrock of any high-value and sustainable health care system equipped to meet the health needs of the families and consumers it is meant to serve.²¹

LD 2196 Builds on National Trend in State Affordability Policies

Maine's proposal would represent a new high-water mark in the country for state progress toward addressing irrationally high hospital prices. But Maine is not alone in these efforts – this bill contributes to a growing trend in states enacting meaningful legislation to rein in unchecked hospital consolidation and resultant high prices and directly lowering health care costs for their residents including, Indiana, Washington, Oregon, and Rhode Island.²²

- **Indiana:** In 2025, the Indiana General Assembly passed HB 1004 that enacted a reference-based pricing system that limits the hospital prices of the state's five largest nonprofit hospitals as the statewide average price.
- **Washington:** The state recently passed a bill during their most recent state legislative session limiting hospital prices in the state employee health plan ([SB 5083](#)).²³ The bill also sets minimum payments for primary care and behavioral health services at 150% of the Medicare rate.
- **Oregon:** In 2017, Oregon passed [SB 1067](#), which established a limit on prices in State Employee Health Plan (SEHP) payments at 200% of the Medicare rate for in-network services and 185% of the Medicare rate for out-of-network services. The legislation also directed plans to reduce cost growth by 3.4% annually. In 2019 and 2021, the SEHP cost growth cap was adopted statewide, limiting the annual growth of per capita health care spending. In the first 27 months of the program, Oregon's SEHP saved the plan an estimated

\$107.5 million with no impacts to care quality or access.²⁴ The State also took important steps to improve primary care access and investment to lower health care costs broadly. An [analysis of the Oregon Primary Care Medical Home](#) implemented in 2011 found that every \$1 increase in primary care investment contributed to a \$12 return in savings from other services.²⁵

- **Rhode Island:** Under the State’s insurance rate review policy, Rhode Island maintains a set of affordability standards that limit hospital price growth for the state’s fully insured commercial market, and require insurers to invest in higher value care (through adoption of alternative payment models) and meet primary care funding requirements and standards for behavioral health integration.²⁶ Research shows the affordability standards have successfully led to greater savings for health care consumers and resulted in hospitals operating more efficiently.²⁷

As Maine grapples with some of the highest health care prices in the country, **LD 2196 directly lowers irrational hospital prices, promotes health access, and saves money for Mainers.** This Committee has the historic opportunity to transform Maine from a state leading in high health care prices to a leader in health care cost accountability. For these reasons, we urge you to advance LD 2196 without delay.

Thank you for the opportunity to submit this testimony. For further information, please contact Alberto Gonzalez, Deputy Senior Director for State Government Relations, at agonzalez@familiesusa.org.

Sincerely,



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Senior Director of Health Policy

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⁶ *Ibid.*

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⁸ George Milller et al, “State Health Spending Trends, 2019—2022”. Altarum, n.d. https://altarum.org/sites/default/files/State_Health_Spending_Trends_Blog.pdf

⁹ “Perceptions of Health care Affordability and Hospital Fees in Maine”, Digital Research Inc, February 2024, <https://drive.google.com/file/d/1jejlvXNL9SSiHDKTO6VYICJSvKSbfYNC/view>

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¹⁶ *Ibid.*

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