



132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1785

H.P. 1196

House of Representatives, April 24, 2025

**An Act to Encourage Competition by Requiring Independent Health
Care Provider Cost-of-living Adjustments in Health Insurance
Contracts**

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

A handwritten signature in cursive script, reading "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative BOYER of Cape Elizabeth.
Cosponsored by Senator BALDACCI of Penobscot and
Representative: MATHIESON of Kittery.

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

Sec. 1. 24-A MRSA §4303, sub-§18-A is enacted to read:

18-A. Nonaffiliated practice contract requirements. In addition to the requirements of subsection 18, a carrier offering a health plan must meet the requirements of this subsection with respect to a contract offered by the carrier to an individual practice that is not affiliated with a hospital or a group practice up to 25 members that is not affiliated with a hospital, including a contract offered through a preferred provider arrangement, as defined in section 2671, subsection 7. This subsection does not apply to dental or vision plans.

A. For health plans issued or renewed on or after January 1, 2026, compensation provisions in a contract between an individual practice that is not affiliated with a hospital or a group practice up to 25 members that is not affiliated with a hospital and a carrier to provide health care services to enrollees of a health plan must include an increase in compensation for health care services from the prior year that reflects increases in the Consumer Price Index for All Urban Consumers, CPI-U, over the previous year, as compiled by the United States Department of Labor, Bureau of Labor Statistics. A carrier may not reduce fees for services covered under the contract for any reason other than to reflect changes to the national relative value unit standards determined by the federal Department of Health and Human Services, Centers for Medicare and Medicaid Services.

B. This subsection does not require an individual practice that is not affiliated with a hospital or a group practice up to 25 members that is not affiliated with a hospital to accept or reject, or prohibit an individual practice that is not affiliated with a hospital or a group practice up to 25 members that is not affiliated with a hospital from accepting or rejecting, a contract or an amendment to an existing contract including any increase in compensation required by this subsection. A contract may not directly or indirectly waive the requirements of this subsection and a carrier may not discriminate against any category of individual practice that is not affiliated with a hospital or a group practice up to 25 members that is not affiliated with a hospital by excluding or limiting payment for health care services provided by an individual practice that is not affiliated with a hospital or a group practice up to 25 members that is not affiliated with a hospital in an effort to avoid the compensation provisions of this subsection.

Sec. 2. Prohibition on altering contractual reimbursement during 2025. A carrier, as defined in Title 24-A, section 4301-A, subsection 3, offering a health plan, as defined in Title 24-A, section 4301-A, subsection 7, may not alter contractual reimbursement to an individual practice that is not affiliated with a hospital or a group practice up to 25 members that is not affiliated with a hospital during 2025 to reduce the baseline reimbursement for the purpose of reducing the compensation increase required pursuant to Title 24-A, section 4303, subsection 18-A.

SUMMARY

This bill requires that, for health insurance plans issued or renewed on or after January 1, 2026, compensation provisions in a contract between an individual practice that is not affiliated with a hospital or a group practice up to 25 members that is not affiliated with a

1 hospital and a health insurance carrier to provide health care services to enrollees of a health
2 insurance plan must include an increase in compensation for health care services from the
3 prior year that reflects increases in the Consumer Price Index for All Urban Consumers,
4 CPI-U, over the previous year, as compiled by the United States Department of Labor,
5 Bureau of Labor Statistics. This bill prohibits a health insurance carrier offering a health
6 insurance plan from altering contractual reimbursement to an individual practice that is not
7 affiliated with a hospital or a group practice up to 25 members that is not affiliated with a
8 hospital during 2025 to reduce the baseline reimbursement for the purpose of reducing the
9 required compensation increase. The bill also prohibits a health insurance carrier from
10 reducing fees for services covered under a contract with an individual practice that is not
11 affiliated with a hospital or a group practice up to 25 members that is not affiliated with a
12 hospital for any reason other than to reflect changes to the national relative value unit
13 standards determined by the federal Department of Health and Human Services, Centers
14 for Medicare and Medicaid Services.