



# CAHC's Policy Perspective

Preserving and Expanding Health Care Access

September 8, 2023

## National Trends Reflected in Maine: Access and Affordability Are Barriers to Care

In December 2022, CAHC sponsored a [survey](#) of Maine voters to better understand Mainers' perspectives on the state's health care system and health care accessibility and affordability. All survey respondents were registered voters living in Maine; final data were statistically weighted to reflect the demographics of the state's population. Geographic distribution of survey respondents was also representative of the state's population.

For many years, [national polling](#) has revealed that families in America struggle with the high cost of health care, and that health care costs impact decisions about insurance coverage and if and when to seek health care. In fact, health care costs rank as a top financial worry for people across the country.[1] Our survey results are consistent with nationwide trends; Maine families, like many families across the country, are struggling to afford and access the care and coverage they need.

### Part I: Medical Debt

Some of the most significant and concerning takeaways from the survey data relate to medical debt. More than four out of ten Mainers have medical debt in their household. Additionally, nearly one in three Mainers were contacted by a collection agency within the past two years due to a medical bill. Of those who had been contacted by a collection agency, [83% reported](#) it was due to a hospital bill.

Medical debt is affecting the financial stability of Maine families, which in turn affects their ability to properly seek out care when necessary.

The United States has one of the highest costs of healthcare in the world – even when compared to countries of similar wealth. In 2021, U.S. healthcare spending reached \$4.3 trillion, which averages to about \$12,900 per person.[2] The causes of rises in healthcare spending warrant a separate post. However, they're important here if we are to understand the bigger picture; if the cost of healthcare has steadily increased, becoming more expensive and therefore less accessible, it should come as no surprise that medical debt is on the rise as well (as demonstrated by the concerns Mainers reported related to the issue).

Again, four out of ten Mainers have medical debt in their household. Medical debt and the actions taken by collection agencies are affecting the ability of many of our neighbors, family, and friends to seek out care and lead healthy lives. Check out the Urban Institute's [Interactive Map](#) to see the percentage of Mainers who have medical debt in collections by county.

### Medical debt policy considerations

In the first session of the 131<sup>st</sup> Legislature, an amended version of [LD 1795](#) passed, establishing an investigative task force examining facility fees in Maine. The original bill would have prohibited certain health care providers from charging, billing or collecting a facility fee in certain situations and would have required annual reporting on the amount of facility fees charged or billed. Senate President Troy Jackson sponsored the bill after a [Portland Press Herald investigation](#) found that health care providers are adding facility fees to patients' bills, often charging hundreds of dollars an outpatient procedure or test was performed in a hospital or by a

provider affiliated with a hospital. The investigation, published in August 2022, reported that patients are surprised, confused and frustrated by such charges, and that insurance companies often don't cover the fee, or it ends up being applied to a patient's out-of-pocket costs. This phenomenon undoubtedly contributes to medical debt. Surprise charges for unknown facility fees do not allow patients to properly plan for what they may or may not be able to afford.

While the amended bill does not impose any restrictions on providers, it will provide an opportunity for a transparent investigation into how patients are affected by facility fees and will hence provide a framework for discussion based on shared understandings of how prevalent facility fees are in Maine. This bill, a step towards collective understanding and further awareness of facility fees, will lay groundwork for future policies to address whatever issues, if any, may be found by the task force.

## Part II: Prescription Drug Affordability



Our survey found that **one in four Mainers** cut pills in half, skipped doses of a medication, or delayed or did not fill a prescription due to **cost** over the past two years. A **2019 survey** by Arnold Ventures found that, nationwide, eighty-four percent of voters believed prices charged for prescription drugs are unreasonable. That poll also found support for Medicare negotiation for single source, high-cost drugs remained high (87 percent) - even after exposure to opponents' strongest arguments.

To track the rising costs of prescription drugs, the Maine Health Data Organization releases an annual report detailing the 25 most-expensive drugs. For the fiscal year ending June 2022, the data show Mainers spent over \$158 million more on the 25 drugs with the highest cost increases than they did the previous year. Medications that top that list include – Stelara, Humira and Eliquis, used to treat Crohn's disease, arthritis, and to prevent the onset of serious blood clots.

Mainers spent an additional \$16 million for Eliquis last year over the previous year. Because it is in such wide use, it is one of the first drugs to be included on Medicare's **price negotiation list**.

Much like how medical debt perpetuates inability to seek out care and make the healthiest decisions possible, the high cost of prescription drugs only leads to further barriers for Mainers.

### Prescription drug affordability policy considerations

A bill, carried over to the upcoming second session of the 131<sup>st</sup> Legislature, **LD 1829**, *An Act Requiring Reference-based Pricing to Reduce Prescription Drug Costs*, would require that a state entity, health plan or participating plan qualified under the federal Employee Retirement Income Security Act may not purchase prescription drugs to be dispensed or delivered to a consumer at a cost that exceeds the maximum fair price determined by the Secretary of the United States Department of Health and Human Services under the federal Medicare program. Any savings generated as a result must be used to reduce costs to consumers.

The **Inflation Reduction Act of 2022** passed by Congress and signed into law by President Biden granted Medicare the authority to negotiate the prices of certain medications with pharmaceutical companies. The Congressional Budget Office estimates "price negotiation will lower average drug prices under Medicare and will reduce the budget deficit by \$25 billion in 2031."<sup>[3]</sup> LD 1829 would establish the maximum price negotiated by Medicare as the maximum price that state-regulated insurers can pay for certain medications, therefore passing savings along to consumers. The **list of drugs** to be included in reference pricing has been released by the Biden administration.

## Part III: Insurance affordability

Another concerning survey finding shows that almost six out of ten Mainers with commercial insurance are concerned that they will experience a gap in their coverage because they cannot

afford **health insurance**. Additionally, the survey found that four out of ten with commercial insurance have trouble affording their deductibles, coinsurance, copayments, or premiums. More than half with commercial insurance face difficulty paying for medical expenses not covered by their insurance.

These figures speak to the struggles Mainers face paying for and maintaining insurance coverage. They also speak to the hardships Maine families face even when they have health insurance coverage.

### Insurance affordability policy considerations

Policy makers have passed a number of important policy initiatives to help tackle the high cost of coverage for Mainers, from a number of angles. In 2021, Senate President Troy Jackson's bill, **LD 120**, passed to establish the Office of Affordable Health Care (OAHC). The OAHC, which is now established in law, is charged with analyzing trends in health care costs and examine the relationship between cost and Mainers' access to care. The independent, non-partisan office brings together health care experts and consumer representatives and will make recommendations for addressing rising costs to the Legislature.

The OAHC will help policymakers better understand why health care costs are rising in Maine. It will also identify solutions to help control costs. Other States have implemented Initiatives to address rising health care costs, including the Health Policy Commission (HPC) established in Massachusetts, which is partially credited with a steady decline in health care costs each year since its establishment. Between HPC's founding in 2013 and 2018, Massachusetts residents and employers saved an estimated \$7.2 billion in health care costs.[4]

The OAHC will hold its first public hearing on September 27, 2023. The public hearing provides an opportunity for public comment on health care cost trends and barriers to health care affordability. If you are interested in providing public comment and would like more information, please contact [policy@mainecahc.org](mailto:policy@mainecahc.org).

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[1] <https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs>

[2] <https://www.pgpf.org/blog/2023/07/why-are-americans-paying-more-for-healthcare#:~:text=While%20the%20COVID%2D19%20pandemic,to%2018%20percent%20in%202021>

[3] <http://www.mainesenate.org/reny-perry-introduce-legislation-to-rein-in-prescription-drug-prices>

[4] <https://www.mecep.org/blog/maine-lawmakers-consider-several-bills-to-tackle-rising-health-care-costs>



#### About Ceilidh Shea - Policy Advocate

Ceilidh has a strong interest in the intersection of public policy and health outcomes, particularly with respect to health equity and health justice. She is a graduate of Colorado College, where she majored in Political Science and minored in Global Health.



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