

CoffeeCAHC policy round-up:

June 14, 2024

118th US Congress, 2nd Session
131st Maine Legislature, Out of Session



Good afternoon Coffee CAHC readers!

We're enjoying Jill Scott's cover of Bill Withers' [Lovely Day](#)! Hope you do too!

National Level

Biden Administration Releases Proposed Rule on Medical Debt. The Consumer Financial Protection Bureau (CFPB) released a [proposed rule](#) on Tuesday that would remove medical debt from consumers' credit reports. If enacted, the medical debt of [millions of Americans](#) would no longer affect their credit scores. In 2014, the CFPB [reported](#) that carrying medical debt was not a good indicator of a consumers' creditworthiness. Nevertheless, medical debt depressed consumers' credit scores, threatening their ability to [gain employment](#), [obtain housing](#), and [meet basic needs](#).

Rohit Chopra, CFPB director, [noted](#) that:

medical debt on a consumer credit report is a very different type of debt than a mortgage, an auto loan, or a credit card. Sometimes, as is the case with a visit to the emergency room, the debt is taken on unexpectedly and in a time of crisis. Medical bills are also frequently subject to coding errors, charity care mistakes, or complexities with insurance.

By the time incorrect bills and insurance coverage issues are resolved, the damage has been done to the consumer's credit report. Removing medical debt, he said, would spare American families from having their financial lives upended because of an unexpected medical emergency. The rule would also prohibit the most predatory practices in debt collection, including using medical devices, such as wheelchairs and prosthetic limbs, as collateral.

Last year the three largest credit reporting firms (Equifax, Experian, and TransUnion) [excluded paid-off debt and debts under \\$500](#) from credit reports. However, the proposed rule, if adopted, will affect millions more consumers. Mona Shah, Senior Director of Policy and Strategy at Community Catalyst, described it as a "massive win."

Supreme Court Preserves Access to Mifepristone – For Now. On Thursday, the Supreme Court handed down the decision in [FDA v. Alliance for Hippocratic Medicine](#), the case out of Texas in which physician-opponents of abortion asserted the FDA failed to follow proper procedures in approving [mifepristone](#), one of two medications used to end pregnancy through 10 weeks. The Court held that Alliance for Hippocratic Medicine lacked [standing](#) to sue; that is, it could not clear the threshold necessary to bring a lawsuit. For a unanimous court, Justice Brett Kavanaugh wrote: "...the plaintiff doctors and medical associations do not prescribe or

use mifepristone. And FDA has not required the plaintiffs to do anything or to refrain from doing anything.” Therefore, he concluded, the Alliance suffered no injury in fact and lacked standing to sue.

However, [mifepristone is banned in 14 states](#). Republican Attorneys General in three states, Idaho, Kansas, and Missouri, who tried to join the FDA case but were not permitted to do so, [may bring new lawsuits](#).

Good News, Bad News on Social Security and Medicare. Federal officials released the [2024 Annual Social Security and Medicare Trust Fund Report](#) in May. Good news: economic growth has pushed off benefit cuts by a year for Social Security and five years for Medicare. Bad news: unless Congress acts, the report predicts Social Security benefits will have to be cut 17% in 2035. Medicare benefits will have to be cut 11% in 2036. So... little more than a decade away.

Haven't we seen this movie before? Why yes, yes we have. Funding fights over these programs date to their inceptions (1935 for Social Security; 1965 for Medicare and Medicaid). As KFF's Julie Rovner pointed out a year ago in [Why Do Politicians Weaponize Medicare? Because it Works](#), the two parties have fundamental difference over how the programs should operate and how to keep them financially solvent. How do those differences shake out in 2024?

Generally, Democrats [favor raising taxes on high-income earners](#) to extend the solvency of both programs. President Biden's [budget](#), released in March, sets the income threshold for increased taxes at \$400,000. Republicans, on the other hand, have called for [increasing the retirement age](#) to receive full benefits and (in an echo of [George W. Bush's plan to privatize Social Security](#)) [restructuring Medicare](#) to provide premium subsidies to buy traditional Medicare or Medicare Advantage plans. For his part, former president Trump once again [floated the idea of cutting Medicare and Medicaid benefits](#).

Buckle up. It's going to be a long campaign season.

In Case You Missed It...

A February 2024 [KFF-Petersen brief](#) reports that, despite 90% of Americans having health insurance, 20 million Americans carry medical debt. In May, Sens. Bernie Sanders (I-VT), Jeff Merkley (D-Ore.) and Reps. Ro Khanna (D-Calif.) and Rashida Tlaib (D-Mich.) introduced the ["Medical Debt Cancellation Act"](#), which would eliminate \$220 billion in medical debt.

State Level

Legislative Session Roundup. The second session of the 131st Legislature wrapped up its work on May 10. Below is an overview of the legislative landscape and where we ended up on healthcare-related policy this year.

Among other important initiatives, the supplemental budget rejected proposed rollbacks to the Medicare Savings Program (MSP), ensuring many older Mainers and Mainers with disabilities can benefit from the [expansions to MSP](#) passed last session. Increased income eligibility for MSP will go into effect July 1, 2024.

Three bills aimed at addressing medical debt and improving transparency were also enacted. [LD 2115](#), sponsored by Senator Mike Tipping, prohibits collection agencies from charging interest or fees on medical debt, and from suing low-income patients on medical debt. The bill was signed and enacted by Governor Mills. [LD 2271](#), sponsored by Senator Donna Bailey, implements certain [recommendations](#) of the Task Force to Evaluate Facility Fees to increase facility fee transparency. [LD 1740](#), sponsored by Representative Poppy Arford, improves access to good faith estimates for healthcare services and strengthens federal price transparency.

[LD 796](#), An Act Concerning Prior Authorizations for Health Care Provider Services, sponsored by Representative Jane Pringle, was enacted as well. The bill will require carriers to allow prior authorization approvals to be effective for a two (2)-week period before and after a specific date. The bill also creates a grievance procedure for enrollees in a health plan. Carriers must establish and maintain a grievance procedure that meets standards developed by the Bureau of Insurance to resolve claims denials, prior authorization denials, or other matters by which enrollees are aggrieved.

[LD 227](#), An Act Regarding Legally Protected Health Care Activity in the State, sponsored by Representative Anne Perry, was signed into law by the Governor. The bill was introduced as a countermeasure to states that have restricted reproductive and gender-affirming healthcare through multiple provisions, such as clarifying that access to reproductive healthcare and essential medical care for transgender people are legally protected in Maine. The bill also ensures Mainers will not have their medical records about protected healthcare shared with law enforcement agencies in other states where such care is banned.

[LD 2174](#), An Act to Protect Consumers from Predatory Medical Credit Card Providers, sponsored by Senate President Troy Jackson, failed to pass the House. The amended bill would have provided some basic consumer protections related to [medical credit cards](#) and would have prevented medical debt from negatively impacting consumer credit scores and reports. Unfortunately, [LD 1955](#) and [LD 1829](#) were not enacted due to [disagreements about the legislature's authority](#). LD 1955, sponsored by House Speaker Rachel Talbot Ross, would have expanded eligibility and strengthened access to hospital free care programs in Maine. LD 1829, sponsored by Senator Cameron Reny, would have expanded the charge of Maine's [Prescription Drug Affordability Board](#).

Bureau of Insurance Releases Rate Fillings. Every year the [Maine Bureau of Insurance](#) releases the [proposed changes](#) to insurance rates submitted by insurance carriers. The bureau reviews the proposed changes to insurance premiums to ensure they are based on accurate data and appropriate projections of healthcare costs and utilization.

The proposed 2025 rates for both individual and small group plans average about a 14% increase in premiums. It is important to remember that this is just an average, so the proposed

increase for a particular plan may be higher or lower. It is also worth noting that most people with individual health plans qualify for premium assistance through [CoverME.gov](#), so should be largely protected from premium increases as long as they shop around during Open Enrollment.

Health and Human Services Commissioner Jeanne Lambrew stepped down.

Commissioner Jeanne Lambrew led the implementation of [Medicaid expansion](#) in 2019, oversaw the creation of the state-based exchange, and led the Department's COVID-19 response. Her last day working in the Mills administration was May 31st, after which she will begin work as director of health care reform for The Century Foundation. She will also be an adjunct professor of health policy at the Harvard T.H. Chan School of Public Health. [Sara Gagne-Holmes](#) is now serving as Acting Commissioner. She has served as the Deputy Commissioner since 2019. Previously served as a state health policy and legal advisor under Governor Baldacci.

Want to Know More?

A wild [orangutan used a medicinal plant](#) to treat a wound on its face. The [world's largest wildlife crossing](#) will permit animals to walk over eight lanes of traffic near LA. And [wild African elephants may call each other by name](#).

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