

# Spotlight on State: Maine

*This is part of a [series of summaries](#) that highlight notable legislation and initiatives in health policy and reform of all 50 states. Check back on The Source as we roll out additional states each week.*

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Maine is a state that actively promotes healthcare price transparency. The [Maine Health Data Organization](#) (MHDO), an independent executive agency that the legislature established in 1996, operates the state's all-payer claims database (APCD). The MHDO has collected health insurance claims information since 2003 and currently shares claims from commercial insurance carriers, third party administrators (TPAs), pharmacy benefit managers (PBMs), dental benefit administrators, MaineCare (Maine Medicaid), and CMS (Medicare). Maine also protects patients from surprise bills. Insurance carriers may legally only require enrollees to pay up to the in-network out-of-pocket cost for surprise bills from an out-of-network provider. In 2020, the legislature passed a law that requires providers to disclose to non-emergency referred enrollees whether the provider is in the enrollee's health plan's network before the enrollee schedules an appointment for the service ([LD 2111](#)). Maine also requires insurance carriers to offer and post notice of a shared savings plan that incentivizes patients to shop for low-cost, high-quality participating providers for comparable health services. Incentives include cash payments, gift cards, credits or reductions in premiums, copayments or deductibles.

Maine has made strides in pharmaceutical legislation as the first state in the country to enact a law to require drugs distributed in the state to be made available at a fair market price and without restrictions to generic companies for use as samples to accelerate the development of lower-cost generics. In recent sessions, the state passed several pharmaceutical laws, including measures that regulate PBMs ([LD 1504](#)), increase drug price transparency ([LD 1162](#)), allow drug importation from Canada ([LD 1272](#)), and establish a Drug Affordability Review Board ([LD 1499](#)). Another new prescription drug price transparency law, [LD 1406](#), directs the MHDO to collect data from manufacturers and report annually to Maine legislators the 25

most commonly prescribed drugs that experience large cost hikes.

In health system and delivery reform, Maine requires coverage parity and cost-sharing parity for telehealth services. Although there has been proposed legislation, current law does not require reimbursement parity in telemedicine. The state has also proposed reform initiatives for a public option plan and a single-payer system, but neither passed the legislature. In 2018, the CMS [approved](#) Maine's 1332 innovation waiver for its reinsurance program under the Maine Guaranteed Access Reinsurance Program Association to lower individual market premiums and premium tax credits. Additionally, Governor Mills signed into law [LD 1](#) (2019), which requires insurers to offer the ten essential benefits and protections of the Affordable Care Act (ACA), regardless of the ACA's fate.

To ensure market competition, Maine law requires written notice to the Attorney General (AG) of any merger or consolidation of a nonprofit hospital. The state also requires a Certificate of Need (CON) for any construction, expansion, acquisition, acquisition of control, or transfer of ownership of a health care facility. Nonprofit hospital mergers require approval from the AG, or alternatively, a court if the AG does not approve. Mergers that would exchange assets valued at less than \$50,000 require notice instead of approval. Otherwise, the fair market value of the assets to be converted is a factor in the merger review criteria. Maine also prohibits most-favored nation clauses in provider contracts to deter anticompetitive behavior.