OAHC Presentation to the Primary Care Advisory Council

May 1, 2026

Reminder: Recommended Policy Framework

Set Reasonable Limits on Commercial Hospital Facility Prices

- Cap outlier high prices for hospital services
- Establish a cap on the growth of hospital prices

Use Savings To:

Reduce health care costs for families and businesses

Invest in higher payments for primary and behavioral health care

Reform prior authorization to lessen admin burden on providers

LD 2196 - An Act to Lower Health Insurance Costs, Reduce Barriers to Health Care and Ensure Fair Prices for Health Care

Original Version

- Set a cap of 200% of the Medicare price for what some hospitals could charge to commercial insurers.
- Limited how much hospital prices could increase each year to a measure of increases in their input prices.
- Required minimum periods of validity for prior authorization for treatment of chronic conditions.
- Set a floor of 110% of Medicare prices for primary care and behavioral health evaluation and management.

Amended Version

- Only included a limit on the growth of hospital prices in the future – no cap on prices – and allowed flexibility in the calculation of growth.
- Increased primary care and behavioral health payment floors gradually to reach 150% of Medicare by 2034.

Estimating cost of increased payments for primary care and behavioral health

- The approach in LD 2196 was informed by MQF's annual primary care reporting methodology, but with some changes based on the goals of the legislation – namely focusing on major revenue sources for PC/BH providers:
  - We envisioned focusing on evaluation & management, preventative visit, and outpatient counseling codes.
  - OBGYN was omitted from the taxonomy.
  - The following services were also omitted, for simplicity:
    - Vaccinations and injections,
    - Telehealth,
    - Visits to homes and nursing homes,
    - Codes specific to Medicare and MaineCare.

Estimating cost of increased payments for primary care and behavioral health

- Wakely Actuarial used one year of MHDO claims (CY 2024) and repriced each claim at a CPT code level to estimate how current commercial payments compare to Medicare fee schedule payment amount (inclusive of most applicable adjustments).
- Note that this table only includes claims in the MHDO APCD – representing roughly half the total commercial market.

Table 3 – Professional Repricing Results by Service Type
2024 Commercial Claims*

Service Type	Total Allowed Amount	Total Repriced to Medicare	Relative Price (% of Medicare)
Behavioral Health	$39,248,850	$41,707,853	94%
Primary Care	$75,525,758	$48,423,893	156%

*Limited to behavioral health and primary care services
Source: Wakely analysis of Maine Health Data Organization's All Payer Claims Database CY 2024.

Estimating cost of increased payments for primary care

- The Urban Institute then utilized findings from the Wakely analysis to project increased spending on primary care into the future – this analysis also included an adjustment to account for the volume of claims absent from the APCD:

Medicare-referenced floor	2027	2028	2029	2030	2031
110%	$5.6	$5.8	$6.1	$6.4	$6.7
125%	$8.3	$8.7	$9.2	$9.6	$10
150%	$19.4	$20.4	$21.4	$22.3	$23.4

- Full findings and an explanation of methodology can be found here: https://www.maine.gov/oahc/sites/maine.gov.oahc/files/2026-03/Urban%20and%20Wakely%20Analyses.pdf