

September 30, 2024

Dear Members of the Maine Office of Affordable Health Care,

Thank you for the opportunity to submit testimony regarding making health care more affordable for Maine families. As a physician dedicated to improving health outcomes for our community, I witness firsthand the profound impact that the rising cost of health care has on patients and their families. These financial burdens are not only overwhelming but also prevent many individuals from accessing the care they need.

Over the last decade, we've seen hospital and out-of-pocket expenses grow at an alarming rate. These costs are disproportionately affecting working families, individuals on fixed incomes, and those living in rural areas. When families are forced to choose between putting food on the table or paying a hospital bill, we are not just failing as a health care system—we are jeopardizing their health, well-being and ability to thrive.

High healthcare costs lead to delayed or avoided care, which exacerbates preventable conditions and results in more complex, expensive treatments later on. Patients are disincentivized to take steps to manage preventable conditions and optimize management of existing conditions like hypertension and diabetes, due to fears of unaffordable medical bills. By the time they seek care, their conditions have worsened, requiring hospitalization or more intensive treatments—leading to even higher costs. This damaging cycle of disease and ill health is unsustainable and it affects us all.

Hospital prices, in particular, are a significant driver of high medical expenses. In Maine, the consolidation of hospitals and health systems has contributed to higher prices with little competition to keep costs in check. When a hospital is the only provider in a community, it can charge higher rates, knowing that patients have few other options. While hospitals provide critical services, there needs to be greater transparency in their pricing, and we must explore ways to reduce the burden these charges place on Maine families.

Additionally, the increased acquisition of independent physician practices by hospitals leads to higher costs for routine care. Patients often don't realize that the same service provided by an independent practice is billed at a much higher rate once that practice is owned by a hospital. This practice is contributing to a rise in overall health care spending.

For many families, even with insurance coverage, out-of-pocket expenses like copays, deductibles, and prescription drug costs have skyrocketed. This is especially concerning for those with chronic illnesses who require ongoing care. Patients with high-deductible plans are particularly vulnerable, as they often face large out-of-pocket expenses before their insurance even kicks in.

Reducing hospital and out-of-pocket costs is essential to improving the health and economic stability of Maine families. We must pursue comprehensive strategies to bring down hospital and out-of-pocket expenses while ensuring high-quality care for all Mainers. You have an

opportunity to create a health care system that works for everyone, not just those who can afford it. I urge the Maine Office of Affordable Health Care to take bold action to ensure that families no longer have to sacrifice their health due to the high cost of care.

Thank you for your time and consideration.

Sincerely,
Dr. Shannon L. Carr, MD MS FACOG