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To the Office of Affordable Health Care and Executive Director Garratt-Reed:

Introduction

My name is Alex Carter, I use she/her pronouns, and I am a Policy Advocate at Maine Equal Justice (MEJ), a nonprofit legal aid provider working to increase economic security, opportunity, and equity for people in Maine. MEJ provides direct representation to hundreds of individuals with low income each year and represents the interests of thousands more through our policy and administrative advocacy. We identify our policy priorities through community listening and by partnering with people impacted by poverty. In the absence of universal coverage, increasing equitable access to affordable health care is among our top priorities for its dual impact on health and economic outcomes.

You will hear from a wide range of stakeholders with varying perspectives and interests in health care spending and affordability. As you consider the challenges they name and the solutions they propose, we implore the Office of Affordable Health Care (OAHC) to utilize an equity lens in your analysis and to focus your recommendations on improving access and affordability for those who bear the greatest burdens of high healthcare needs and high healthcare costs in our state.

Health Care Coverage

The U.S. is the only high-income country in the world that does not guarantee health care coverage for its residents.[1] While certainly not the only factor in affordability and accessibility of services, lack of coverage, or inadequate coverage, remains one of the greatest barriers to healthcare access for consumers. The unequal distribution of health coverage also contributes to well-documented disparities in health and financial

[1] Gunja, Gumas, and Williams II, "U.S. Health Care from a Global Perspective, 2022: Accelerating Spending, Worsening Outcomes," The Commonwealth Fund, January 31, 2023, https://www.commonwealthfund.org/publications/issue-briefs/2023/jan/us-health-care-global-perspective-2022#:~:text=Despite%20high%20U.S.%20spending%2C%20Americans,dropped%20even%20further%20in%202021

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outcomes as high out-of-pocket costs and the threat of compounding medical debt cause many to forgo or postpone necessary treatment and preventive care.[2]

In the last decade, Maine has made significant progress in reducing the number of people who go without health insurance. The State's decision to expand Medicaid in 2019, recent legislation to increase income eligibility limits for the Children's Health Insurance Program (CHIP), and pandemic-era protections including Medicaid continuous coverage and enhanced premium tax credits for the Marketplace, have all contributed to our historically low uninsured rate of just 5.9%.[3] And yet, these gains are not evenly distributed amongst all Mainers. When we delve deeper into the data and speak with individual consumers about their needs, we uncover stark disparities in health care coverage along lines of income, race, and immigration status.

The Urban Institute's analysis of health care coverage and costs in Maine for 2025 shows that the share of uninsured nonelderly Mainers falls reliably as incomes rise. Over 8% of those below 138% of the Federal Poverty Level (FPL) are projected to be uninsured in 2025, while only 4.4% of Mainers above 400% FPL are estimated to go without coverage.[4] These differences are even more pronounced when they intersect with race. Although Black, American Indian or Alaska Native, and Latino Mainers make up a relatively small share of the state's overall population, each group alone has uninsured rates higher than the national average and near or above 10%.[5] Across a whole host of health indicators, these groups also have higher rates of disease and negative health outcomes when compared with white Mainers.[6]

Immigrant Access

Immigrants are largely invisible in these figures. However, the same study by the Urban Institute estimates that, following the Medicaid continuous coverage unwinding, 30% of all

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[2] U.S. Department of Health and Human Services, "Access to Health Services," Healthy People 2030, https://health.gov/healthypeople/priority-areas/social-determinants-health/literature-summaries/access-health-services#cit2
[3] United States Census Bureau, "Maine- Census Bureau Profile," https://data.census.gov/profile/Maine?g=040XX00US23
[4] Buettgens et al., "An Overview of Health Coverage and Costs in Maine for 2025," Urban Institute, February 16, 2024, https://www.urban.org/research/publication/overview-health-coverage-and-costs-maine-2025
[5] Danforth, "New census data confirms the Child Tax Credit and other investments in economic security help many families get beyond survival and thrive," Maine Equal Justice, September 18, 2024, https://maineequaljustice.org/about-us/blog/new-census-data-confirms-the-child-tax-credit-and-other-investments-in-economic-security-help-many-families-get-beyond-survival/
[6] Maine Shared Community Health Needs Assessment, "Health in Maine: Race," June 27, 2022, https://www.maine.gov/dhhs/mecdc/phdata/MaineCHNA/documents/Race%20HE%20Data%20Sheet%206.27.2022.pdf

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uninsured Mainers will be ineligible for MaineCare or Marketplace Premium Tax Credits (PTCs) because they have a disqualifying immigration status or because their income is too high.[7] Due to the discriminatory federal welfare reforms of the 1990s and the racist rollbacks under the LePage Administration, many immigrants in Maine are ineligible for MaineCare, based solely on their immigration status. According to analysis from the Migration Policy Institute (MPI), there were approximately 2,000 foreign-born adults with qualifying low income in Maine in 2019 who would otherwise be eligible for MaineCare, but for their immigration status[8]—this figure is estimated to have increased to over 3,000 adults since the 2019 Census. Many of those same individuals are similarly barred from purchasing health insurance with subsidies through our state-based exchange, yet make significant contributions to our communities, our economy, and our tax revenues. While there are many valuable avenues to address health equity, it's important to recognize that immigrants without a qualifying status are the *only* group in the state who are categorically excluded from comprehensive health care coverage.

This is reflected through the lived experience of the people we work with and the barriers to care we attempt to help them navigate as a legal service provider. These exclusions look like a young adult with disabilities who requires in-home support for his safety but has aged out of MaineCare eligibility after turning twenty one; it looks like a survivor of abuse who had her glasses confiscated by a border patrol agent and now cannot afford an eye exam or new prescription lenses; it looks like a parent and home health aide struggling to manage her diabetes while being charged to care for others; and, in the most extreme cases, exclusions to MaineCare prevent a long-time Maine resident experiencing organ failure from being added to a transplant wait list because he is ineligible for comprehensive insurance and Emergency Medicaid does not cover organ transplants. If the State and OAHC are sincere in their efforts to reduce costs for consumers and close disparities in health care access and coverage, our immigrant community members cannot be discounted in your proposed solutions.

Free Care

Those who fall in this coverage gap or who lack the resources to pay for high out-of-pocket costs, must turn to a patchwork of safety net services. In lieu of a more universal coverage

[7] Buettgens et al., "Health Coverage and Costs in Maine."
[8] Lacarte, Greenberg, and Capps, "Medicaid Access and Participation: A Data Profile of Eligible and Ineligible Immigrant Adults," Migration Policy Institute, October 2021, https://www.migrationpolicy.org/research/medicaid-immigrant-adults

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option, hospital charity care or 'Free Care' plays a vital role in our health care ecosystem and in consumers' ability to afford necessary medical services.

Federal law requires that non-profit hospitals provide community benefit programs, including some level of charity care, to receive their tax-exempt status. In Maine, our current state regulations require that, "hospitals provide free care for medically necessary inpatient and outpatient hospital services," for those at or below 150% FPL. Within these broad federal and state guidelines, individual health systems establish their own free care policies which has led to inconsistencies and variations by location.

Some health systems in Maine are playing an outsized role in providing free and discounted care and have independently elected to raise their Free Care eligibility standards[9] and the scope of services that are covered. Yet, others have more narrowly interpreted the state regulations, and even erected barriers not required by law, including requirements to present specific documentation. At MEJ, we have seen cases of agricultural workers being denied free care because they could not present a state ID as proof of residency. We have also seen numerous cases where someone is financially eligible for free care but received a large hospital bill because they were never notified that free care was an option or didn't have easy access to an application. Oftentimes, these individuals also had a preferred language other than English or another barrier like low-literacy or lack of access to a computer.

Currently, the level of financial assistance you can receive, and the accessibility of that assistance, is largely dependent on where you live in the state. We support legislation to update Maine's Free Care regulations to increase the income eligibility threshold to 200% FPL, align the definition of "state resident" more closely with MaineCare, and create a universal set of standards and patient protections that will level the playing field for both consumers and the health systems that are already doing the right thing.

Medical Debt

In all our community outreach and legal services work, the two concerns that people bring to us most frequently are housing and medical debt. According to the Consumer Financial

[9] Consumers for Affordable Health Care, "Hospital Free & Sliding Scale Options," https://mainecahc.org/consumer-assistance/extra-help/freecare_and_slidingscale.html

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Protection Bureau (CFPB), 1 in 5 U.S. households has some kind of overdue medical debt.[10] Mainers hold a particularly high burden of medical debt in relation to our neighboring states, particularly in specific regions, with upwards of 14% of residents in Somerset, Kennebec, and Sagadahoc counties holding medical debt that's gone to collections, compared with 5% nationwide.[11] Disparities also persist in this outcome of unaffordability with larger shares of people with disabilities, and Black adults reporting medical debt in a nationally representative survey, than white, non-disabled adults.[12]

Rising medical debt is the result of a confluence of factors, but policymakers should view it as a symptom of our increasing health care costs and a warning sign of the growing inability of their constituents to afford health care. In the absence of guaranteed health coverage and more limited cost sharing by insurers, predatory financial products, including medical credit cards, are marketed to fill the affordability gap. Rather than providers offering reasonable payment plans or exploring options for financial assistance, many consumers are offered high-interest credit cards at their doctor's or dentist's office to defer their medical debt in the short-term. However, this can lead to even greater financial consequences down the line if the consumer neglects to pay off their balance within the deferred interest period and incurs a large interest charge. Furthermore, charges to credit cards are not always categorized as medical debt, so the current and proposed federal limits on reporting medical debt to credit agencies may not apply to these outstanding payments and can still impact a person's credit score.

The solution to increased medical debt and its disparate impact on vulnerable consumers is not an intermediary financial product. To curb medical debt and its negative financial impacts, we must simultaneously address the underlying drivers of rising health care costs, offer patients reasonable payment plans relative to their household income, ensure more people have high quality health care coverage and access to hospital free care, and support robust consumer protections for medical debt collection and reporting.

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[10] Consumer Financial Protection Bureau, "Have medical debt? Anything already paid or under $500 should no longer be on your credit report," May 8, 2023, https://www.consumerfinance.gov/about-us/blog/medical-debt-anything-already-paid-or-under-500-should-no-longer-be-on-your-credit-report/

[11] Urban Institute, "Debt in America: An Interactive Map," last updated September 2024, https://apps.urban.org/features/debt-interactive-map/?type=medical&variable=medcoll

[12] KFF, "1 in 10 Adults Owe Medical Debt, With Millions Owing More Than $10,000," March 10, 2022, https://www.kff.org/health-costs/press-release/1-in-10-adults-owe-medical-debt-with-millions-owing-more-than-10000/

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Policy Recommendations to Improve Affordability

State

- Support legislation to remove discriminatory exclusions to the MaineCare program based on immigration status and allow all income-eligible adults in Maine to access comprehensive health care coverage
- Support advocacy efforts, in the form of rulemaking or legislation, to require the Maine Department of Health and Human Services to expand the use of MaineCare funds to pay for dialysis treatment for Emergency MaineCare recipients
- Support legislation to improve Maine's hospital Free Care program and cap monthly payment plans to less than 3% of household income for those under 400% FPL, to reduce medical debt and allow more residents to access free and discounted care
- Support legislation in Maine to codify and expand rules proposed by the CFPB to prevent medical debt reporting to credit reporting agencies, including a prohibition on the use of this information in applications for employment and housing, including applications for rental housing

Federal

- Support the removal of the five-year bar (Lift the Bar Act) to allow lawfully present immigrants to access federal Medicaid benefits
- Advocate with Congress for policies that create benefits around oral health, vision, and hearing for people with Medicare
- Advocate for the continuation of the expanded federal PTCs to lower premiums and cost-sharing for Marketplace coverage, particularly for those at the lower- and middle-income levels
- Encourage expansions of the ability to negotiate prescription drug prices

Thank you for the opportunity to provide comments and for your consideration.

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