



# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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Legislative Document

No. 1222

H.P. 913

House of Representatives, March 22, 2011

### **An Act To Promote Fairness in Negotiations between Health Insurance Carriers and Health Care Service Providers**

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Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Clerk

Presented by Representative TREAT of Hallowell.  
Cosponsored by Senator BRANNIGAN of Cumberland and  
Representatives: EVES of North Berwick, GRAHAM of North Yarmouth, PETERSON of  
Rumford, SANBORN of Gorham.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 24-A MRSA §4303, sub-§15** is enacted to read:

3 **15. Prohibition on "most favored nation" clauses.** A participation agreement  
4 between a carrier and a provider may not include a provision, commonly referred to as a  
5 "most favored nation" clause, that:

6 A. Prohibits, or grants the carrier an option to prohibit, the provider from entering  
7 into a participation agreement with another carrier to provide services at a lower price  
8 than the payment specified in the participation agreement;

9 B. Requires, or grants the carrier an option to require, the provider to accept a lower  
10 payment in the event the provider agrees to provide services to any other carrier at a  
11 lower price;

12 C. Requires, or grants the carrier an option of, termination or renegotiation of the  
13 existing participation agreement in the event the provider agrees to provide services  
14 to any other carrier at a lower price; or

15 D. Requires the provider to disclose its reimbursement rates from other carriers.

16 **SUMMARY**

17 This bill prohibits the inclusion of so-called "most favored nation" clauses in the  
18 participation agreements between health insurance carriers and health care service  
19 providers.