

MaineHealth

MaineHealth Member Organizations:

Franklin Community Health Network
LincolnHealth
MaineHealth Care At Home
Maine Behavioral Healthcare Memorial Hospital
Maine Medical Center
NorDx
Pen Bay Medical Center
Southern Maine Health Care
Synernet
Waldo County General Hospital
Western Maine Health

Part of the MaineHealth Family:

MaineHealth Accountable Care Organization

MaineHealth Affiliates:

MaineGeneral Health
Mid Coast-Parkview Health
New England Rehabilitation Hospital of Portland
St. Mary's Health System

Testimony of Lee J. Cyr
MaineHealth

In Support of LD 1888

An Act to Amend the Workers' Compensation Laws Governing Affiliated Self-Insurance Groups
Before the Joint Standing Committee on Insurance and Financial Services
March 29, 2018

Senator Whittemore, Representative Lawrence and distinguished Members of the Joint Standing Committee on Insurance and Financial Services, I am Lee J. Cyr from MaineHealth, and I am here today to testify in support LD 1888, An Act To Amend the Workers' Compensation Laws Governing Affiliated Self-insurance Groups.

MaineHealth is Maine's largest integrated non-profit health care system that provides the full continuum of health care services to the residents of eleven counties in Maine and one in New Hampshire. Every day, Maine Health's 18,500 employees work collaboratively to support our vision of "Working together so our communities are the healthiest in America."

As one of the largest employers in the state of Maine, MaineHealth maintains a workers' compensation insurance trust, the MaineHealth Workers' Compensation Program, which manages the worker's compensation claims for all of MaineHealth's member hospitals and their employees, with the exception of Memorial Hospital in New Hampshire.

The legislation, as written, would provide the MaineHealth Workers' Compensation Program with more flexibility in how it funds its workers' compensation program. Currently, the MaineHealth Workers' Compensation Program must hold a certain amount of cash in reserves to meet statutory obligations and to pay the cost of claims. LD 1888 would allow the MaineHealth Workers' Compensation Program to free up some of these funds in reserves and replace it with other forms of security. These securities would be the same security required of individual self-insurers, such as letters of credit or bonds. This change would not in any way increase the risk to MaineHealth or its employees, and would still assure that adequate funds are available to pay workers compensation benefits of its injured employees. Further, this bill would provide MaineHealth the flexibility to use its funds currently held in reserves to, instead, invest in patient care.

For the reasons mentioned above, I urge the Committee to vote Ought to Pass on LD 1888. Thank you for your time and I would be happy to answer any questions you may have.