

TESTIMONY OF JEANNE M. LAMBREW
COMMISSIONER
DEPARTMENT OF HEALTH AND HUMAN SERVICES
In support of L.D. 2007
“An Act To Enact the Made for Maine Health Coverage Act
and Improve Health Choices in Maine”
Presented by Speaker of the House Sara Gideon
Before the Joint Standing Committee on Health Coverage,
Insurance & Financial Services
February 5, 2020 at 10:00 a.m.

Senator Sanborn, Representative Tepler, and members of the Committee, I am Commissioner Jeanne Lambrew. I am here today to testify in support of L.D. 2007.

On behalf of Governor Mills, I thank Speaker Gideon and Senate President Jackson for sponsoring this bill. Making health care more accessible and affordable for people in Maine is a priority for the Governor. On day one, she implemented the will of the voters by expanding MaineCare, which helped over 57,000 people last year receive needed services from cancer screenings to insulin. She signed into law LD 1 which codified key insurance reforms such as protections for many people with pre-existing conditions and coverage on parents' plans until the age of 26. And, working with this Committee, she supported policies to tackle the high price of prescription drugs.

This bill, the Made for Maine Health Coverage Act, takes on a different set of problems: the struggle that many individuals and small businesses face when

trying to find affordable coverage. Insurance for individuals and small businesses is confusing, and consumers are provided few resources to navigate high and unpredictable premiums, out-of-pocket costs, and deductibles. For example, in 2020, the three insurance companies offering plans on HealthCare.gov are charging 20 different amounts for a primary care visit across the four plan types. For many plans, enrollees pay the full price of primary care and behavioral health services until they hit a deductible, causing them to delay or forego care. In 2018, Maine had the highest average deductible for employer coverage in the nation. Maine small businesses have also been paying high premiums which grew on average by nearly 17 percent in the last two years as enrollment has fallen. And while more Mainers are covered now than ever, 106,000 were uninsured in 2018 – 83 percent of whom have income that makes them eligible for Medicaid or financial assistance through the Health Insurance Marketplace.

The Made for Maine Health Coverage Act sets Maine-specific deductibles and copays, offers an innovative solution for Maine small businesses, and creates a Marketplace designed to best meet the needs of Maine people. It makes health insurance simpler and more reliable. And it helps make health care more affordable. For example, most people with individual and small business insurance would not have to pay out of pocket for their first primary care visit of the year, which costs on average \$155. LD 2007 does so without seeking any general funds. It would support changes through existing user fees and Federal funding.

The Made for Maine Health Coverage Act was developed in collaboration with the Bureau of Insurance. My testimony addresses Part A of the bill while Superintendent Cioppa will describe Parts B and C. Part A of the bill creates a

State-based Marketplace, also called an Exchange, in Maine. The purpose of a Marketplace, which exists in all states, is to improve the individual market by increasing transparency, education, and the ease of shopping and signing up for health plans. Currently, states have a choice of the functions of the individual health insurance market that they run, with the Federal government assuming the role when states decline to do so.

The Maine Bureau of Insurance already conducts “plan management” or the review of carriers’ qualified health plans for compliance with Federal and State law. Under LD 2007, the Bureau would continue to act as the regulator of insurance products, while the Department would conduct the outreach and enrollment functions of a Marketplace. This includes running a Navigator program for in-person assistance and organizing public education and marketing. To do so efficiently, the Department would build on its current activity to educate and enroll people in MaineCare and focus on expanding coverage – whether it’s private coverage or MaineCare. This integration helps consumers move smoothly from one program to the other and also allows some of the joint cost to be paid for by the Federal government through Medicaid. We would begin this work this fall.

The Department would also initially and subsequently conduct an assessment and report to the Legislature on the feasibility and cost of the State’s performing all of the functions of a Marketplace, including operating an application and enrollment platform to replace HealthCare.gov. Considerations would include availability of Federal funds, whether existing user fees are sufficient to create and operate State-run functions, and whether the use of a State-run platform would improve the accessibility and affordability of health insurance

in Maine. This assessment, along with State-based Marketplace activity, would be done through rulemaking and in consultation with stakeholders including but not limited to consumers, patients, Tribal Nations, health care providers, agents and brokers, and health insurance carriers.

Under LD 2007, the work of a State-based Marketplace would be funded through the same user fees that carriers currently pay to offer their qualified health plans through the Federally-facilitated Marketplace called HealthCare.gov. But instead, these funds would be rerouted to Maine. Specifically, carriers would continue to pay no more than 3 percent of their net premiums to support the marketing, website, call center, and other functions that result in enrollment in their health plans. For plan years in which the Department conducts education and outreach and the Federal government runs the website, call center, and other functions, the Department will collect 0.5 percent and the Federal government will collect 2.5 percent, consistent with Federal rules.¹ In plan years in which Maine conducts all of the functions of a Marketplace, the full 3 percent could be collected by the Department to be deposited in a Health Insurance Marketplace Trust Fund. Like other trust funds, the Marketplace Trust Fund would hold money solely for the purposes set forth in the bill.

In closing, a Maine-run Marketplace would allow for greater tailoring, targeting, and enrollment of people in affordable health insurance. I ask that you support this initiative and am happy to answer any questions you have. Thank you.

¹ Federal user fees are set on an annual basis in the Notice of Benefit and Payment Parameters