

Fact Sheet: The Made for Maine Health Coverage Act

BACKGROUND: Significant coverage gains have been made under the Affordable Care Act (ACA) since 2010 – and in Maine in 2019 – with the expansion of Medicaid, prohibition on pre-existing condition exclusions, and numerous other policy improvements.

- Since the Affordable Care Act was enacted, the uninsured rate in Maine fell by nearly half (from 11.3 percent in 2010 to 6 percent in 2018 according to the [Census Bureau](#)).
- Since the Governor's day-one executive order on January 3, 2019, 57,518 individuals have at some point been covered under the MaineCare (Medicaid) expansion.
- Virtually all privately insured Mainers now receive proven preventive services with no deductible or copay, coverage for adult children up to the age of 26, and limits on annual out-of-pocket costs.

Even with these gains, many Maine people and businesses still struggle to pay for health care in the face of challenging premiums, out-of-pocket costs, and deductibles.

Confusing, hidden, high deductibles and copays too often cause Mainers to forgo health care and coverage or choose between food and medicine.

- People shopping on HealthCare.gov in Maine face multiple deductibles and copays for the same level of coverage and services. For example, for 2020, the three insurance companies offering plans on HealthCare.gov charged 20 different amounts for a primary care visit across the four plan types.
- In [2018](#), Maine had the highest average deductible (\$2,447) for employer coverage in the nation.
- One [study](#) found that twice as many patients with chronic obstructive pulmonary disease (COPD) delayed care (24 versus 12 percent) or skipped care due to cost (15 versus 7 percent) compared to those with lower deductibles.

Small businesses are facing ever-increasing costs to provide coverage to their workers.

- While premiums for Mainers buying coverage on their own did not increase between 2018 and 2020, small businesses average premiums increased by nearly 17 percent over this same period according to the Bureau of Insurance.
- Enrollment in small group coverage has fallen by nearly 30 percent, from 83,590 in 2013 to 59,980 in 2018 according to the Bureau of Insurance.

And while more Mainers are covered now than ever, [106,000](#) were uninsured in 2018.

- 83 percent of uninsured in Maine have income that makes them eligible for financial assistance.
- The Trump Administration cut funding for education and outreach on coverage by 80 percent.
- Maine is reliant on the Federal government to run key parts of its health insurance system and is not prepared to take advantage of new options or funding should they become available.

PROPOSAL: The Made for Maine Health Coverage Act takes an ambitious, pragmatic and targeted approach to improving private health insurance. It does so without the need for an appropriation. Using a three-pronged approach, it would help by:

1. Providing consumers with relief from high out-of-pocket costs and making it easier to compare plans.

While much of the recent focus has been on the affordability of premiums, out-of-pocket costs are a real and growing concern for consumers. This bill helps to relieve those costs by making some of the most common medical visits less expensive.

- Starting in 2021, all health plans for individuals and small businesses in Maine would cover the first primary care visit and behavioral health visit for free – with no deductible and no cost sharing. Additionally, the second and third primary care and behavioral health visits could have copays but would not be subject to the deductible.
- This is in addition to no deductibles or co-pays for preventive services thanks to the ACA and LD 1 signed into law by Governor Mills in 2019.

The ACA improved the ability to compare plans through the HealthCare.gov Marketplace, but more can be done to help consumers understand deductibles and copays and make apples-to-apples comparisons of plans. This bill would create “clear choice designs” to standardize cost sharing for similar health plans.

- Starting in 2022, qualified health plans in each level of coverage (bronze, silver, gold and platinum) would generally have the same deductible, out-of-pocket limit, and copays for a set of commonly-used services.
- The dollar amounts would be developed in consultation with a working group of stakeholders including patients and providers and updated annually.
- Insurance companies would have an option to offer a different plan design so long as it is in the interest of consumers.

This makes it simpler to shop for a health plan. For example, California has a [one-page summary](#) of what you pay for key services at different levels of coverage. This also encourages insurance companies to compete on premiums and quality, not confusing cost sharing and hidden bills.

2. Pooling premiums and leveraging federal funds to improve small business insurance affordability.

Maine's small group market has faced increasing premiums and decreasing enrollment, making it difficult for many small businesses to afford to offer coverage to their employees. Meanwhile, premiums in the individual market have stopped climbing thanks to Maine's successful reinsurance program (Maine Guaranteed Access Reinsurance Association or MGARA). This program pays for part of the cost of the most expensive insurance claims, lowering and stabilizing health insurance premiums. In 2019, MGARA received \$22.6 million from health plan fees and \$62.3 million from the federal government through a State Innovation Waiver, which lowered premiums in the individual market by an estimated 9 percent. This proposal includes two components that work together. It would:

- Merge the small group and individual markets in Maine. Insurance companies would pool all individual and small business enrollees when determining premiums, increasing the size and stability of the risk pool. Insurance companies would offer the same plans to both individuals and small businesses.
- Extend and improve reinsurance. Maine would amend its State Innovation Waiver to cover the merged market. This means that small businesses would benefit from reinsurance. This extension would be funded by the federal government, which will save on its individual premium tax credits due to the merged market. Fees from insurance companies would not be increased.
- The proposal would improve reinsurance by limiting the amount the public would pay for certain high-cost services to no more than twice what Medicare would pay. This would give insurance companies leverage to negotiate with providers to ensure taxpayer dollars are well spent.

These two elements (merged markets and changes to reinsurance) would be combined in a State Innovation Waiver (also known as a 1332 Waiver). Maine would be the [first in the nation](#) to apply for a 1332 Waiver of this kind to improve small business insurance coverage. It would only go into effect if Maine and the federal government agree that the Waiver has the potential to stabilize and reduce small businesses' health insurance premiums.

3. Tailoring coverage education and enrollment efforts to Maine.

As [previously announced](#), a State-based Marketplace will allow Maine to capture funding currently going to Washington, DC and use it to promote enrollment and improve the

consumer experience. Enrolling as many eligible people as possible improves Mainers' health and financial security. It also helps to keep the market in Maine stable, and can lead to lower premiums due to greater pooling of premiums for payments. The proposal would:

- Starting in the fall of 2020, run a State-based Marketplace using the federal website, HealthCare.gov, and related services. Maine would conduct its own education, in-person consumer assistance, and outreach on coverage.
- Maine would transition from HealthCare.gov to a fully state-run system – operating our own website and call center – if an evaluation of the benefits and feasibility of doing so show that this is the best path forward for Maine people.
- The State-based Marketplace and enrollment initiatives would be under the purview of the Commissioner of DHHS. The Bureau of Insurance would retain all regulatory oversight of insurance plans sold on the Marketplace.
- Funding for the Marketplace would come from user fees on insurance companies no higher than what the insurance companies pay now.

Running its own Marketplace gives Maine new choices, such as extending the annual open enrollment period, customizing the outreach and website to fit Maine's needs, providing assistance to small businesses interested in using health reimbursement arrangements, and promoting the types of health plans Mainers want. States that run their own Marketplaces [tend](#) to have more stable enrollment and lower premiums than those using federal services. The legislation would also position Maine to take advantage of any new options or resources coming from the federal government (called “state-federal health coverage partnerships”).