I am a single mom, with one child. I have been self-employed since my daughter, now 17, was 1. Managing the cost of health care has always been a struggle.

My primary business, and the main source of my income, is as a sole proprietor working in the publishing industry. The vast majority of my clients are located outside the state of Maine, which means I am bringing money into the state. I spend locally whenever I can, and choose small, locally owned businesses when I need services such as accounting, household maintenance, lawn care, etc. I believe that I am contributing to the health of our state economy.

When the ACA was passed, I felt relief. Before the ACA, the only insurance coverage I could find was catastrophic coverage that would have cost $2000 a month. I remember thinking at the time that if I had $24,000 a year to spend on health insurance, I could just put that money in the bank to pay for medical care instead. Well, in 2024, the combined total of my health insurance premiums and the cost of medical care will be $27,400. And the only reason it is not higher is thanks to the out-of-pocket maximum required by the ACA.

Since I am self-employed, my health insurance choices are severely limited. I must choose one of the options offered on CoverMe (previously on the Health Care Marketplace). In early years there were only two companies to choose from; more recently a third has been added. Early on I chose Silver plans, but a number of years ago I had to switch to Bronze plans, due to the cost.

The first significant jump in cost was between 2016 and 2017, when my monthly premiums went from $452 to $658. Needless to say, an almost 50% increase was hard to manage. But then it stayed more or less steady, basically ranging between $660 and $700 until 2023.

In 2023, I was hit with an increase of 23.5%. My premiums went from $696 to $860 month. The publicized average rate was significantly lower than this, and even the maximum rate allowed was a bit below this. I made numerous calls at the time, attempting to determine why my rate had jumped so much. I received no useful information from the insurance company, and the person I spoke to at the Bureau of Insurance asked me why it even mattered, since the tax subsidy also increased. In essence, they were trying to convince me that I shouldn't care, because taxpayer money – which is also partly my money – was going to help offset the increase. I did not find the answer helpful, in part because as a self-employed person, my income fluctuates from year to year. I never know how much I actually receive in tax subsidies until 4 months AFTER I have completed paying the premiums for the year. Only when I file my taxes in April are the calculations made to determine what tax credit I should have received, and adjustments made to my tax bill to reconcile the difference.

In 2024, I again had a large increase of 20.6%, which again was significantly higher than the publicized average. My premiums went from $860 to $1037 a month. To be clear, this is a Bronze level plan, the lowest level of acceptable coverage, for one adult and one teenager. I am already steeling myself in anticipation of what the new premium levels will be in 2025. If the increase this time is similar to that of the last two years, my insurance premium will have almost doubled in only 3 years.

The plans I have carried over the last few years have had out-of-pocket maximums near the maximum legally allowed amount. For 2023 and 2024 it has been $15,000, $7500 for me, and $7500 for my child. Prior to this it was only slightly lower, at just over $7000 for each of us, totaling over $14,000 per year. Between 2020 and 2023 I hit the out-of-pocket maximum for myself every year, and for my daughter every year but one. I have already hit my out-of-pocket maximum for 2024, and I will hit it for my daughter by the middle of October. That's $14,000 to $15,000 in medical expenses, every year for 5 years, above and beyond what I pay for health insurance. Put another way, in the last 5 years, between out-of-pocket medical expenses and insurance premiums AFTER tax subsidies, I have spent approximately $100,000.

With these amounts in medical bills, a reasonable person might ask what chronic or critical issues the two of us are dealing with. The answer is none. Neither of us has diabetes, or cancer, or any serious disability. The issues we have faced over the last few years are the kinds of issues anyone might encounter at almost any time – appendicitis, endometriosis, a shoulder injury – in addition to the periodic illness or small injury needing medical attention. We may have been unlucky in that several of these have occurred close together. However, in other ways the costs are a direct result of the current insurance system. For example, I was on track to have my shoulder repaired in 2023, but needed imaging before proceeding. In spite of having spent 6 months in PT, receiving multiple cortisone shots, and having multiple visits with the medical practitioners in orthopedics, in the fall of 2023 my insurance company repeatedly denied approval for an MRI. By the time the orthopedics office convinced them that an MRI was necessary, it was too late to have the imaging and schedule surgery in 2023. The calendar turned to 2024, my shoulder still needed to be repaired, and I needed to pay another $7500.

As a self-employed person, I have to make more money than someone with an employer to end up at the same level. The self-employment tax takes 14% of my income. Then I have to pay the full cost of the health insurance premium. I can accept both of those things. What I can't accept is that I have to pay the same amount or more than employers pay for their employees' coverage, but the coverage that I receive ends up forcing me to spend significantly more on health care than people covered by employer-based plans.

The most recent statistics that I could find indicated that there are well over 60,000 self-employed people in Maine. The largest employer in the state employs approximately 20,000. With only 3 companies to choose from on CoverMe, all three companies could have business from self-employed people equivalent to the largest group in the state. And yet we are treated, and charged, as individuals.

In closing, I'd like to leave you with a few questions that have long been running through my head.

- Why is there no transparency when it comes to health insurance premiums? That is, why can no one explain to me how my premiums are calculated, why they have increased so much in such a short period of time, and why my increases have been at the extreme high end of permissible increases.

- On average, people insured as individuals make the same use of health care as everyone else, and pay the same or more in premiums. Why should so much more of the cost of care be on our shoulders, rather than covered by health insurance?
- Why is the out-of-pocket maximum for my minor child the same as for an adult who is able to earn a salary? If my coverage was for two adults, the out-of-pocket maximum would be the same, but there would be a second income helping to offset the cost. If the coverage was for two (presumably wage-earning) adults and a child, the maximum family out-of-pocket would average to $6300 per person, not $7500. Why is the financial benefit given to multiple income households, rather than to single parents, who already carry the full financial burden of maintaining a household?
- Why is it not possible to treat people who by definition have to purchase their insurance in one place – the marketplace – as a de facto group, rather than a large number of individuals?
- For that matter, why should insurance even be cheaper for groups than for individuals? People without an employer-based plan are already at a disadvantage in a number of ways – they may be unemployed, underemployed, or self-employed. Why make it even harder for them?
- Why are insurance companies allowed to pick and choose who they want to cover in the state? Some insurers only deal with companies, but don't offer marketplace plans. Other insurers choose only to offer plans in the wealthiest counties, while ignoring the rest of the state. It's understandable that a company would want to maximize their profits by selecting the most lucrative group of customers. But that is not an adequate way to address the health care needs of the state as a whole.
- How can I ever expect to grow my business, even in a small way, with the amount of expected health care related costs each year? Instead of offering a part-time job to someone who could help me expand, I spend the equivalent of a part-time salary on health care.
- Lastly, how is it possible that this system is considered acceptable? The health care system is built in such a way that medical offices spend an inordinate amount of time simply complying with insurance requirements. Doctors do not have the ability to treat patients based on their experience and knowledge; rather their course of treatment is heavily dictated by what insurance will and will not allow. And patients are completely stripped of any agency in managing the costs of their own care, since insurance companies communicate with providers' offices, and will often only accept information from those offices. Providers offices often do not know what the ultimate cost to the patient will be, since the cost is dictated by the insurance contracts. But then after the insurance company and the provider agree between themselves as to the cost and treatment plan, the patient is expected to unquestioningly pay both the insurance premiums and the provider's bill. We can do better than this for the people of Maine.