

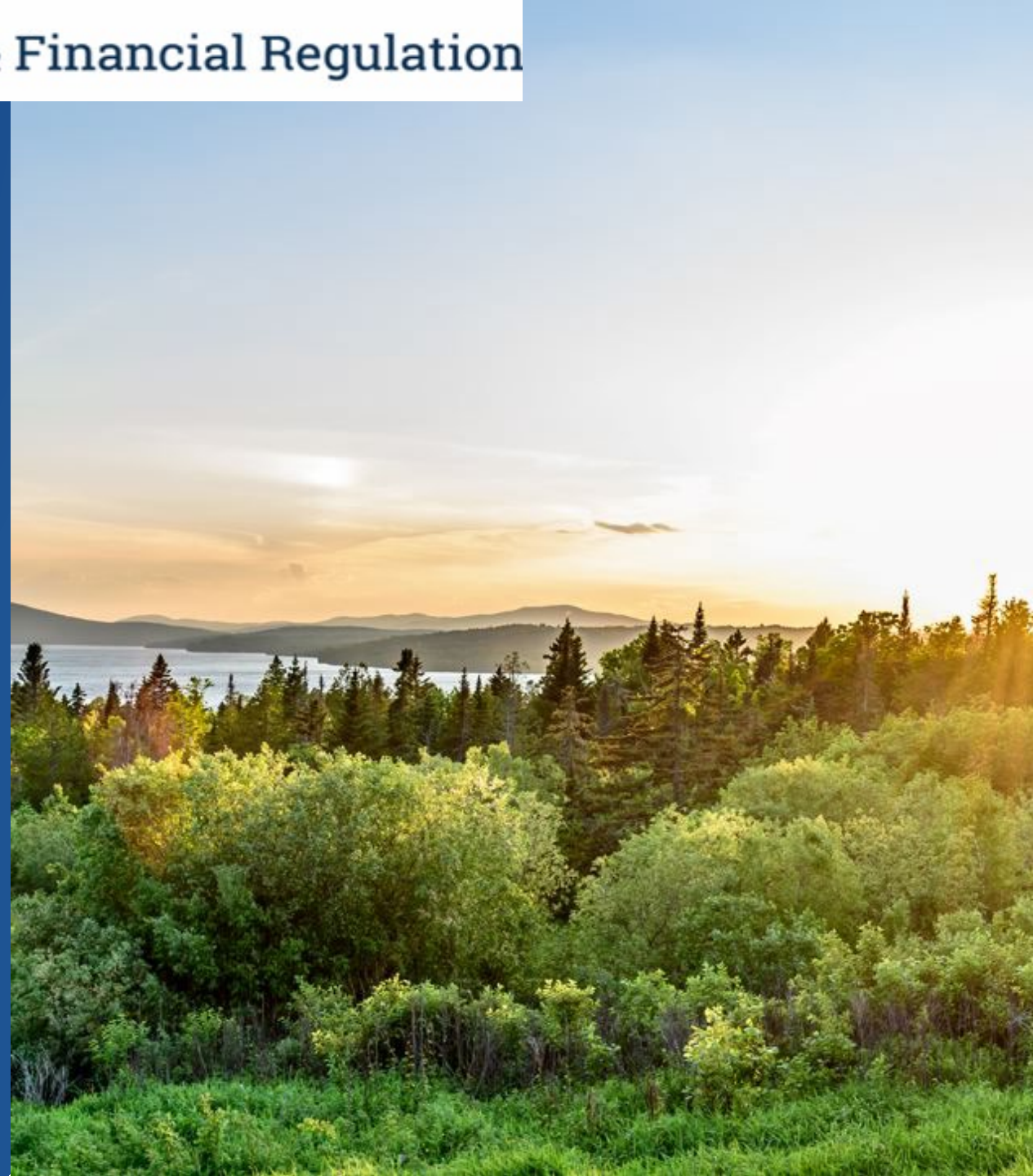


Health Insurance Overview and the Role of the Maine Bureau of Insurance

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Life and Health – Areas of Jurisdiction

The Bureau of Insurance's Life and Health Actuarial Unit and Consumer Health Care Division (CHCD) are responsible for the following lines of coverage:

- ☐ Life insurance
- ☐ Disability insurance
- ☐ Medicare supplement ("Medigap")
- ☐ Long-term care insurance
- ☐ Annuities
- ☐ Paid Family Medical Leave insurance
- ☐ Health insurance
 - Fully insured major medical, vision, dental, indemnity

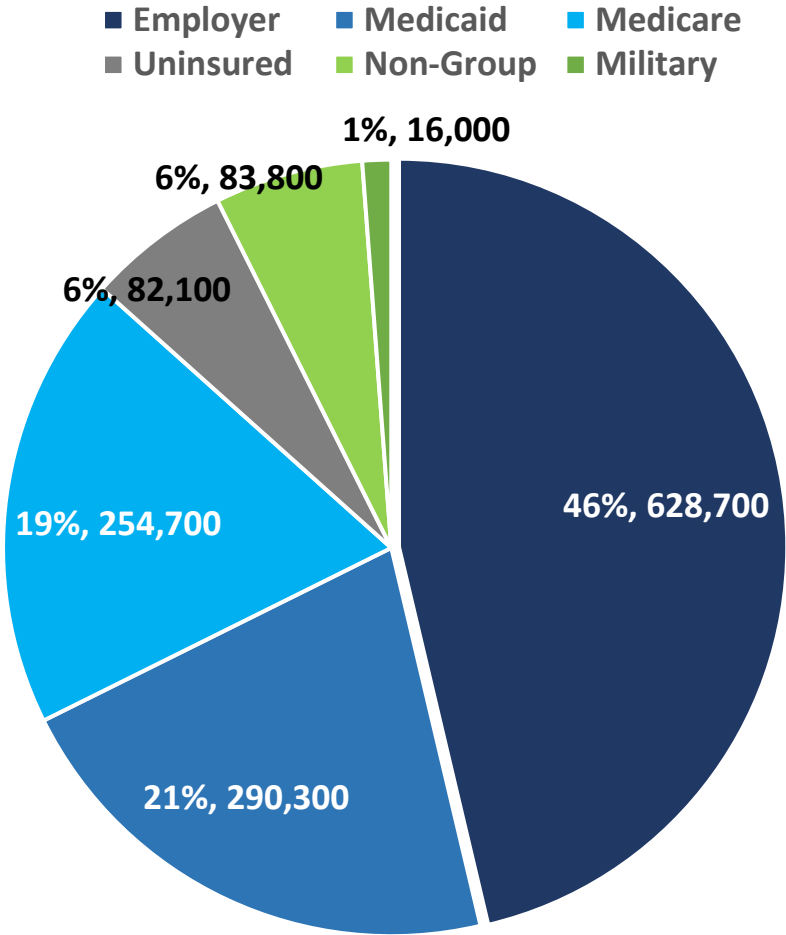
Employers and groups that self-insure are largely outside the jurisdiction of the Bureau.

- ☐ These groups are subject to federal oversight, primarily through the Dept of Labor's enforcement of the Employee Retirement Income Security Act (ERISA).

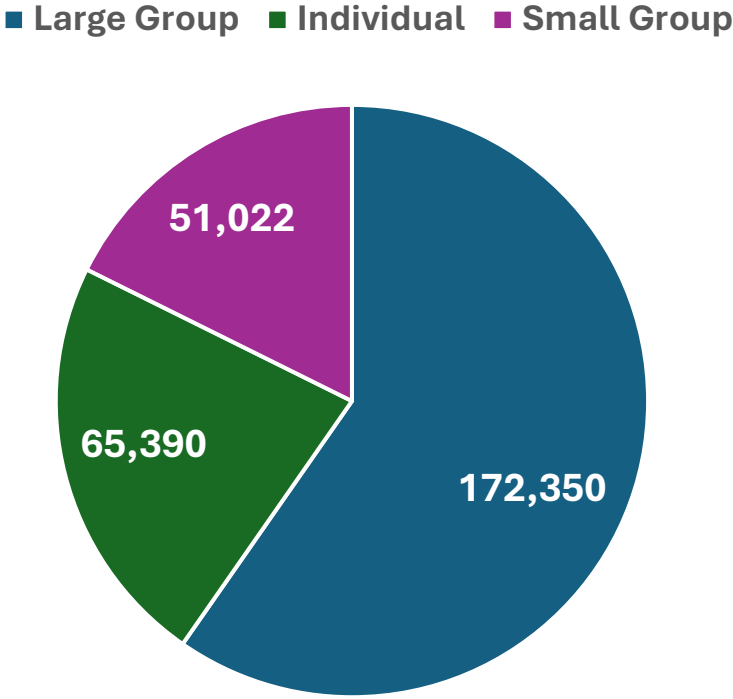
Today's discussion will focus on health coverage and the BOI's role in the health insurance market.

Overview of Health Coverage in Maine

HEALTH COVERAGE - 2023



COMMERCIAL INSURANCE - 2023



Employer-Sponsored Insurance

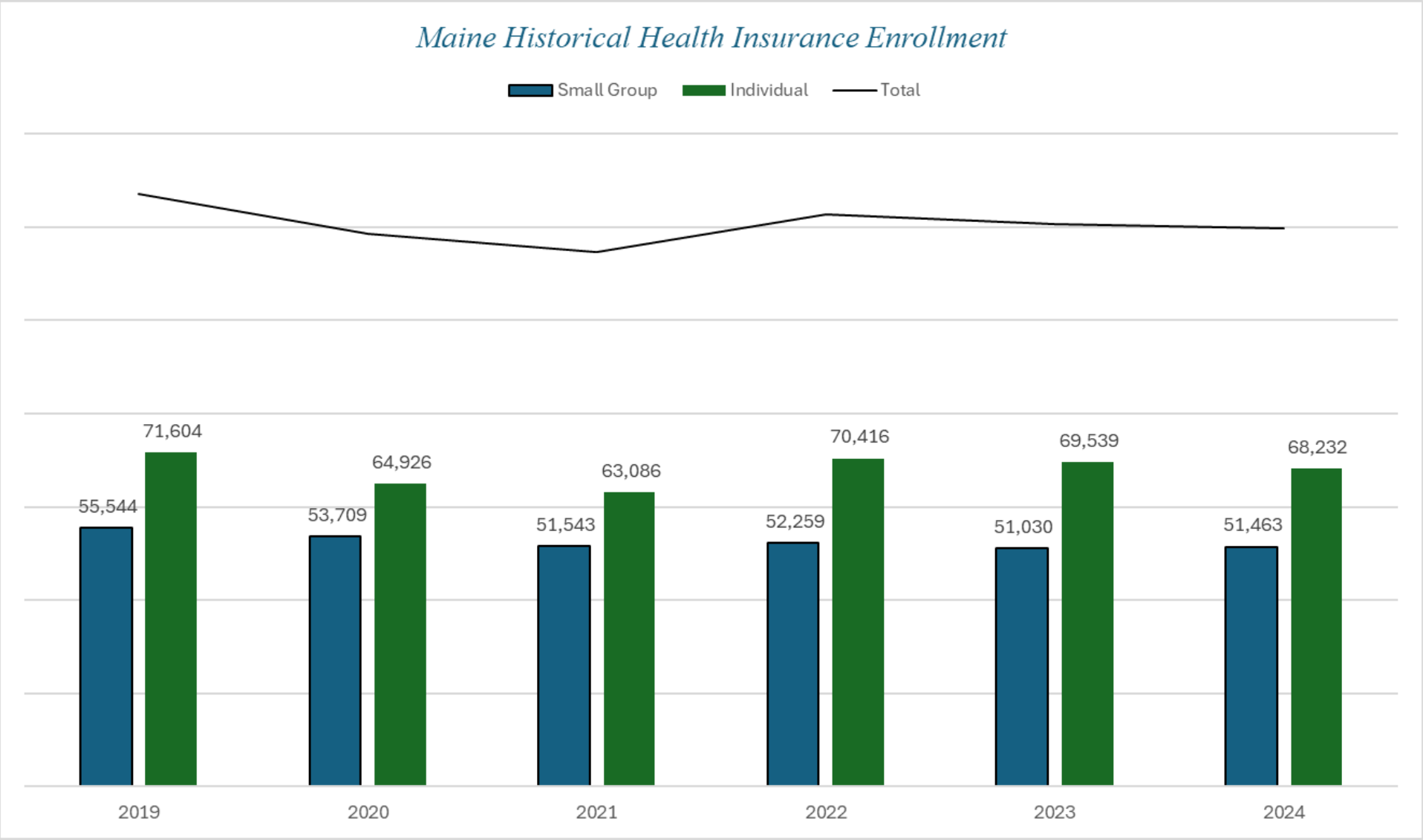
Fully Insured = 223,400

Self-Funded = 405,300

Health Insurance Market Participants

- ❑ Five insurers offer health policies in the merged (Individual and Small Group) market:
 - Anthem
 - Community Health Options
 - Harvard Pilgrim Health Care (Point32 Health)
 - Taro Health (4 counties in southern Maine)
 - United Healthcare
- ❑ These five insurers, Aetna and Cigna offer coverage in the large group market (51+ employees).
- ❑ For self-funded groups, which are not subject to direct BOI oversight, there are many Third-Party Administrators (TPAs) that are licensed to conduct business in Maine.

Maine’s Individual and Small Group Market 2019 – 2024



Key Takeaways

- ❑ Enrollment in the merged market has been relatively stable over the past few years.
- ❑ Enhanced federal premium subsidies for individuals have helped more people maintain affordable health coverage.

Source: Health insurer submitted data compiled by the Maine Bureau of Insurance as of 3/31 each year.

Individual Health Insurance in Maine

Market Snapshot – Individual Medical

Company (State of Domicile) NAIC#	Number Insured		Market Share	
	1 st Qtr 24	1 st Qtr 23	1 st Qtr 24	1 st Qtr 23
Companies Currently Offering Coverage:				
Anthem Health Plans of Maine Inc. (ME) 52618	28,442	24,109	41.7%	34.6%
Harvard Pilgrim Health Care Inc. (MA) 96911	17,138	21,641	25.1%	31.0%
Harvard Pilgrim Insurance Company (MA) 18975	90	139	0.1%	0.2%
Community Health Options (ME) 15077	21,713	23,360	31.8%	33.5%
Taro Health Plan of Maine, Inc. (ME) 17315	785	483	1.2%	0.7%
Sub-Total	68,168	69,732	99.9%	99.9%

Small Group Health Insurance in Maine

Market Snapshot – Small Group

5/14/2024

Company (State of Domicile) NAIC#	Number Insured		Market Share	
	1 st Qtr 24	1 st Qtr 23	1 st Qtr 24	1 st Qtr 23
Anthem Health Plans of Maine Inc. (ME) 52618	22,538	20,298	43.8%	39.7%
Harvard Pilgrim (MA) 96911	14,661	15,508	28.5%	30.3%
Community Health Options (ME) 15077	7,844	8,003	15.2%	15.7%
United Healthcare (CT) 79413	2,245	2,700	4.4%	5.3%
United Healthcare of New England (MA) 95149	237	453	0.5%	0.9%
HPHC (MA) 18975	3,552	3,748	6.9%	7.3%
Excellus (NY) 55101 ¹	141	188	0.3%	0.4%
Aetna Life (CT) 60054	142	174	0.3%	0.3%
Aetna Health (ME) 95517	2	2	<0.1%	<0.1%
Washington National Ins Co.	2	2	<0.1%	<0.1%
Taro Health Plan of Maine, Inc. (ME) 17315	99	33	0.2%	<0.1%
TOTAL	51,463	51,109	100%	100%

¹ Excellus is not licensed in Maine but covers some small employers through a group plan issued to Dairylea, an agriculture cooperative. Figures for the number insured come from the Maine 940 Report as of 5/14/2024.

L&H Actuarial Focuses on Rate Filings

The BOI reviews and approves rates for:

- ☐ Individual and Small Group health insurance (Merged market)
- ☐ Individual dental, disability and vision insurance
- ☐ Individual and group Medicare supplement, credit insurance and long-term care insurance
- ☐ Stop loss or employee benefit excess insurance

We do not review life/annuities or large group health insurance rates.

All assumptions and claims experience made by the insurer to justify their rate request are reviewed.

Prime considerations when reviewing rates include:

- ☐ Excessive - Rates must be based on previous claims paid by the company and projected claims that can reasonably be expected in the coming year, allowing a reasonable margin for administrative expenses and profit or margin.
 - The Affordable Care Act (ACA) requires insurance companies meet a “medical loss ratio” of at least 80%.
- ☐ Unfairly discriminatory - Any differences in rates must be based on factors permitted by law, which include plan coverage (i.e., benefits and cost sharing), age of the enrollee, and place of residence (geography).
- ☐ Inadequate - Rates must be sufficient for the insurer to pay expected claims.

2025 Individual Health Insurance Rate Filings

(On/Off Exchange) Health Insurance Rate Filings

Carrier	Plan Type	Initial Increase	Revised Average	Low	High	Membership
Anthem Healthplans of Maine, Inc.	HMO/PPO	14.7%	7.4%	-0.2%	12.6%	20,287
Harvard Pilgrim Health Care, Inc.	HMO	15.8%	11.6%	6.0%	23.6%	11,064
Maine Community Health Options	HMO/PPO	13.2%	8.1%	4.8%	18.5%	23,120
Taro Health Plan of Maine, Inc.	HMO	3.9%	11.8%	9.1%	16.7%	912
Membership Weighted Average		14.2%	8.6%			

(Off Exchange Only) Health Insurance Rate Filings

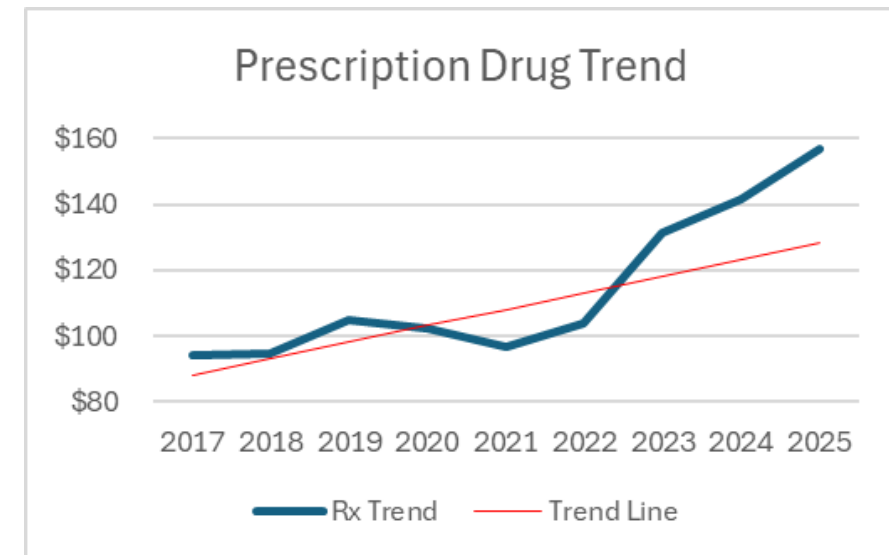
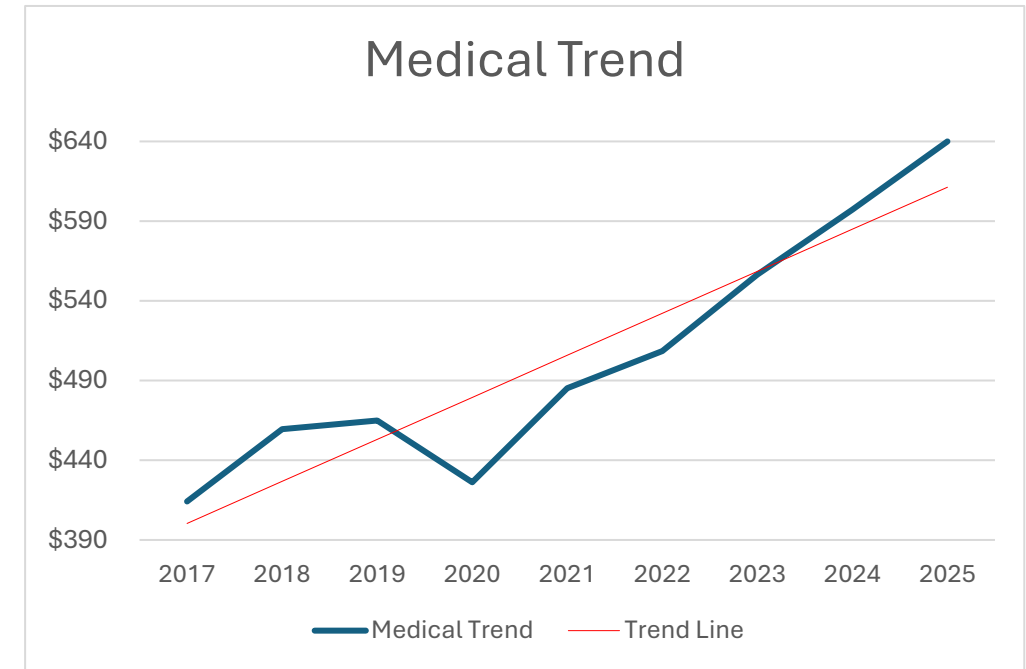
Carrier	Plan Type	Initial Increase	Revised Average	Low	High	Membership
HPHC Insurance Company, Inc.	PPO	11.6%	11.5%	8.1%	13.7%	65
United Healthcare Insurance	PPO	5.3%	5.3%	0%	0%	0
United Healthcare of New England	HMO	6.6%	6.6%	0%	0%	0
Membership Weighted Average		11.6%	11.5%			

2025 Small Group Rate Filings

Carrier	Plan Type	Initial Increase	Revised Average	Low	High	Membership
Anthem Healthplans of Maine, Inc.	HMO/PPO	13.3%	7.1%	-2.8%	12.5%	12,778
Harvard Pilgrim Health Care, Inc.	HMO	15.1%	11.5%	-0.6%	17.4%	2,878
HPHC Insurance Company, Inc.	PPO	14.0%	10.5%	7.5%	13.4%	649
Maine Community Health Options	HMO/PPO	19.6%	13.1%	3.5%	19.8%	7,765
UnitedHealthcare Insurance	PPO	5.3%	5.3%	-1.7%	14.1%	1,270
UnitedHealthcare of New England	HMO	6.6%	6.6%	3.9%	12.8%	175
Taro Health Plan of Maine, Inc.	HMO	3.9%	12.42%	9.1%	16.7%	91
Membership Weighted Average		14.5%	9.4%			

Merged Market Rates

- ❑ Maine's health insurance premiums are among the highest in the nation.
- ❑ Rates are increasing due to an aging population (Maine's the oldest state in the nation), higher reimbursements paid to health care providers and accelerating prescription drug prices.
- ❑ Excluding federal premium subsidies, a family of four in Lincoln County would pay annual premiums of \$21,600 for a health plan with a \$10,000 deductible and \$16,000 out-of-pocket maximum.
- ❑ The family could pay as much as \$37,600 in premiums and cost-sharing.



CHCD Helps Ensure Insurance Market Compliance

CHCD is responsible for reviewing and approving all form filings (e.g., certificates of coverage, summaries of benefits), to ensure:

- ☐ Compliance with state and federal laws and regulations
- ☐ Inclusion of state-mandated benefits and coverage
- ☐ Benefits are not discriminatory

Filings Received for 2024:		1209
Approved/Acceptable		699
Filed for Information		422
Filings Approved:		1121
Rejected		17
Suspended Review		0
Disapproved/ Not Acceptable		23
Withdrawn		22
Filings Closed:		1224
Forms Reviewed:		2589
Compact Filings Received (not included in above totals):		730
Compact Filings Closed (not included in above totals):		667

Providing Answers and Information

The Consumer Health Care Division is a valuable resource for Maine people. Through our consumer hotline (**1-800-300-5000**) or via email insurance.pfr@maine.gov, CHCD answers questions and helps resolve problems.

2024 calls received: 2,605

Investigating consumer complaints:

- ☐ Open complaints: 333
- ☐ Closed complaints: 334
- ☐ No jurisdiction: 162
- ☐ Recoveries: \$2,408,535

CHCD also recently established a health care practitioner support team that can assist small medical and dental offices.

- ☐ Inquiries: 53
- ☐ Open complaints: 16
- ☐ Closed complaints: 9
- ☐ No jurisdiction: 4
- ☐ Recoveries: \$4,250

Facilitating External and Independent Reviews

The Bureau administers two programs that provide policyholders with an opportunity to seek redress for denied claims.

1. Bureau contracts with a third-party to provide expert assistance on behalf of policyholders that have been denied coverage.

- ☐ Health: must involve medical necessity of a covered benefit, a pre-existing condition when starting with a new carrier, or a treatment the carrier asserts is experimental or investigational.

- 45 external reviews conducted in 2024
- 27 carrier decisions overturned; 16 upheld; and 2 withdrawn

- ☐ Long Term Care: must involve eligibility for benefits.

- Two reviews in 2024 that remain open.

2. Independent Dispute Resolution (IDR)

- ☐ Applies to emergency services claim disputes involving out-of-network providers, enrollees in a self-insured plan opting into Maine's IDR process (1 thus far), and certain uninsured consumers.

- ☐ Bureau contracts with IDR vendor who obtains information from the provider and carrier (or uninsured person) and issues a decision within 30 days.

- ☐ 57 cases since the program went into effect on Oct 1, 2020.

How BOI Collaborates with Other Entities

Maine's Office of the Health Insurance Marketplace

- ☐ Review all plans offered on CoverME.gov to ensure they comply with federal Qualified Health Plan (QHP) rules.
- ☐ Applied for and received \$600,000 grant from US Dept. of Health and Human Services to be used by OHIM to inform and educate Maine people about women's health benefits.
- ☐ Biweekly meetings with OHIM to share information.

Maine Department of Labor

- ☐ Assist with drafting of rules pertaining to private plans to implement Maine's Paid Family and Medical Leave Act.

Maine Guaranteed Access Reinsurance Association (MGARA)

- ☐ Stand-alone entity that administers reinsurance program for the merged market.
- ☐ MGARA consults with Bureau staff when setting attachment points and the resulting premium reduction.

National Association of Insurance Commissioners (NAIC)

- ☐ National organization of state regulators that works to address common problems facing consumers, the industry, and states.
- ☐ Maine is an active participant and staff serve on several committees, task forces, and working groups.

Key Challenges on Our Radar

- ❑ Ongoing increase in health insurance premiums due to rising prices, greater utilization of services, and an aging demographic.
- ❑ Enhanced federal premium subsidies will expire at the end of CY 2025 without Congressional action.
 - Directly affects people in the merged (Individual and Small Group) market.
 - For individuals, net cost of monthly premiums will rise as subsidies decline.
 - Some people will drop coverage due to rising costs, which may affect the risk profile of these markets (leading to higher premiums).
 - Premiums for small employers will rise as the monies provided by the feds for MGARA are reduced.
- ❑ Updating the Essential Health Benefits (EHB) Benchmark plan.
 - Last updated in 2014.
 - Will have more information to share with the committee in a later presentation.

For Information and Assistance

☐ 1-800-300-5000

☐ insurance.pfr@maine.gov

☐ <https://www.maine.gov/pfr/insurance/home>