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December 4, 2020

Mr. Eric Cioppa, Superintendent
Maine Bureau of Insurance
34 State House Station
Augusta, Maine 04333-0034

Re: Comments on Proposed Clear Choice Plan Designs

Dear Superintendent Cioppa:

Thank you for the opportunity to comment on the most recent proposed clear choice plan designs. We very much appreciate that the Bureau has taken a number of steps to respond to some of the concerns expressed by carriers, as well as the Bureau's continued willingness to receive input from stakeholders. To follow are our comments and questions with respect to the most recent draft of the proposed Clear Choice plan designs (dated December 1, 2020).

1. Comments and questions regarding the December 1 proposed plan designs:

a. Using the most recent version of the BOI's proposed Clear Choice plans, all plans appear to be compliant with both Actuarial Value and Federal Mental Health Parity requirements. (Please note that this is based on use of the 2021 AV calculator.)

b. We would strongly suggest that carriers be permitted to offer the Silver High plan both on and off the Exchange in order to provide additional Silver options for those currently in the individual market and lessen abrasion due to changes in benefits and cost.

c. For plans that are currently set at the out of pocket (OOP) maximum regulatory limit, we would recommend increasing the OOP maximum to the new regulatory limit in the final 2022 plan designs.

d. We support the addition of the Gold 2500 plan design, and believe it will provide significant relief in terms of pricing and member abrasion within the gold metal level.

e. During the last meeting, there was significant discussion around the need for additional HSA plans. We would suggest a Silver 4000/30%/7000 off exchange HSA plan would be a worthwhile addition to the Clear Choice plan design offerings for the following reasons:

   i. It splits fairly evenly between the current Silver 3000 HSA plan and Bronze HSA plan;

   ii. It saves (by our estimations) approximately 8% in pricing over the current Silver HSA plan;

iii. It removes a significant gap in HSA plan offerings, enabling carriers to use alternate designs to fill other gaps, as needed;

iv. It reduces abrasion to the members that fall within the numerous other deductible levels of HSA plan currently offered in the SG market; and

v. The addition of such a plan would allow carriers to focus their alternate plan designs on other potential areas of abrasion.

f. We strongly support the Bureau's decision to allow tiered plans to be offered as Clear Choice plans, if network adequacy requirements are met. Tiered plans are very popular in the marketplace, particularly in the small group market, and allow access to a wide network of providers at a more affordable price.

g. We urge the Bureau to consider setting a default AV for the Clear Choice plans and to deem plans compliant with FMHP if they comply with the clear choice plan designs. This avoids the potential for different results among carriers and is the approach taken in other states with standardized plan designs. To that end, we would ask the Bureau to clarify Response #18, as this could result is different AVs by carrier and seems contrary to the goal of standardized cost shares.

h. On the benefit grid (at bottom of the chart), it indicates that Preventive Benefits, Diabetes Education & Supplies, Nutritional Counseling, and Pediatric Vision must be covered at 0% with the deductible waived.

i. Is the reference to "Preventive benefits" is intended to refer to the coverage of preventive benefits required under the ACA?

ii. Is the reference to Diabetic Education and Supplies" intended to refer to the coverage required under 24-A M.R.S. §§ 2754, 2847-E, and 4240?

iii. What would be required for coverage of nutritional counseling?

iv. Can the Bureau clarify what would be required under the pediatric vision benefit at 0% with the deductible waived? Typically, the benefits are subject to the deductible today.

v. Will HSA and Catastrophic plans be excluded from some or all of these requirements? Catastrophic plans can only cover what is required under the preventive benefit and the three PCP office visit copays to come before the deductible.

i. With respect to Response #22, our Individual plans currently offer a 90 day supply at mail order for 2.5 times retail for Tier 1 and 3 times retail for Tier 2, which is an equivalent, not a reduced cost. Is Response 22 intended to mean that the mail order multiplier for a 90 day supply must always result in a reduced cost, or can a carrier continue to have a multiplier of 3 times retail for a 90 day supply at mail order?

j. If the markets do not merge, will carriers be permitted to develop three alternative plans for each market segment; *i.e.*, three for the Individual market and three for the Small Group market?

k. Can the Bureau confirm that CSR plan designs are to be developed by the carrier?

l. Response # 16 indicates that platinum plans do not have to be offered. Will all other plans have to be offered, or can offer s subset of the clear choice plan designs?

2. Additional plan designs should be developed.

As we have previously expressed, there are many plan designs available to consumers in the individual and small group market today. As noted above, we recognize and appreciate that the Bureau has developed additional plan designs, such as the Gold 2500 plan. However, we believe there will still be significant disruption in the individual and small group markets. For example, our analysis indicates that approximately 89% of our non-CSR members in the individual market would receive a premium increase when moving to a Clear Choice plan while approximately 11% would receive a slight premium decrease, with an average increase of 4%. Because the Clear Choice plans as currently designed have benefits that are leaner than what is currently offered in the Small Group market today, we estimate that over 90% of our Small Group members would see a reduction in benefits when moving to a Clear Choice plan.

As a result, we continue to believe that the inclusion of additional plans will help to minimize disruption and provide additional choices with respect to both benefit design and price. We would also reiterate that we believe that if the individual and small group markets do not merge, it is very important that a set of plans be developed for the small group. Certain features (such as not applying medical deductible to Specialist and Urgent Care or Rx combined with coinsurance with a per script maximum for higher cost drugs) are important features that small group employers have come to expect when purchasing coverage for their employees.

Included with our comments is a spreadsheet with proposed plan designs for both a merged market and for the small group market if the markets do not merge.

Thank you again for the opportunity to share these comments and suggestions. We would be happy to answer any questions you might have.

Sincerely,

Kristine M. Ossenfort, Esq.
Senior Government Relations Director

Cc: Marti Hooper, ASA, MAAA,
Life and Health Actuary

Anthem Proposed Merged Market Designs - 12/4/2020

Anthem Proposed Merged Market Designs - 12/4/2020	Catastrophic	Bronze Low	Bronze High	Bronze HSA	Silver Low	Silver On Exchange High	Silver HSA Off Exchange	Gold	Platinum	Silver HSA Off Exchange - New
HIOS ID Plan Used as Reference	48396ME0790011	33653ME0550001	33653ME0550002	96667ME0310028	48396ME0710048	33653ME0550003		96667ME0310023		
Anthem AV Value	N/A	64.90%	64.94%	64.94%	68.96%	71.40%	69.93%	79.83%	90.13%	
Deductible	$8,550	$6,500	$7,500	$5,500	$3,500	$4,000	$3,000	$1,500	$500	$4,000
Maximum OOP	$8,550	$8,550	$8,550	$7,000	$8,550	$7,000	$7,000	$5,000	$3,000	$7,000
Coinsurance	0%	40%	50%		50%	30%		30%	20%	
PCP*	$50 for 1st 3 visits then deductible	$40	$50		$40	$30		$25	$20	
Behavioral Health Outpatient Services		$40	$50		$40	$30		$25	$20	
Specialist Visit		$80 AD	$100 AD		$80 AD	$60 AD		$50 AD	$40 AD	
Urgent Care		$60 AD			$60 AD	$45 AD		$40 AD	$25 AD	
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)										
Outpatient Surgery and Physician/Surgical Services										
Inpatient Hospital Services and ER	0% Coins. After Ded.	40% Coins. After Ded.	50% Coins. After Ded.	50%	50% AD	30% after deductible	20% Coins. After Ded.	30% Coins. After Ded.	20% Coins. After Ded.	30% Coins. After Ded.
Inpatient Physician and Surgical Services										
Inpatient Rehabilitation										
Ambulance										
All other benefits										
RX - Tier 1 Generic		$10 / $35	$5 / $25		$5 / $25	$5 / $25		$5 / $25	$0	
RX - Tier 2 Preferred Brand		40% AD	50% After Deductible		$50	$50		$50	$15	
RX - Tier 3 NonPreferred		40% AD			50% AD	30% AD		30% AD	20% AD	
RX - Tier 4 Specialty		50% AD			50% AD	50% AD		50% AD	20% AD	
Pediatric Dental Deductible	$100									
Pediatric Dental - Preventive & Diagnostic	0%									
Pediatric Dental - Restorative & Basic Services	20% Coin. After Dental Ded.									
Pediatric Dental - Major Services & Medically Necessary Orthodontics	50% Coin. After Dental Ded.									
Preventive Benefits, Diabetes Ed & Supplies, Nutritional Counseling, Pediatric Vision	0%									

* 1st PCP and Behavior Office Visit have $0 copay,subsequent visits have copay before deductible except HSA and Catastrophic plans

AD = After Deductible

Anthem Proposed Small Group Non-Merged Market Designs - 12/4/2020

Anthem Proposed Small Group Non-Merged Market Designs - 12/4/2020	Bronze Low	Bronze High	Bronze HSA	Silver Low	Silver Off Exchange High	Silver HSA Off Exchange	Gold (New Proposal for SG Market)	Gold	Platinum	Silver HSA Off Exchange - New
HIOS ID Plan Used as Reference	33653ME0550001	33653ME0550002	96667ME0310028	48396ME0710048	33653ME0550003			96667ME0310023		
Anthem AV Value	64.87%	64.36%	64.94%	69.44%	70.95%	69.93%	78.04%	80.71%	86.60%	
Deductible	$6,500	$7,500	$5,500	$3,000	$4,000	$3,000	$2,500	$1,500	$500	$4,000
Maximum OOP	$8,700	$8,550	$7,000	$8,700	$8,700	$7,000	$6,000	$5,000	$3,000	$7,000
Coinsurance	50%	50%		50%	30%		30%	30%	20%	
PCP*	$60 BD	$50 BD		$40 BD	$30 BD		$25 BD	$25 BD	$20 BD	
Behavioral Health Outpatient Services	$60 BD	$50 BD		$40 BD	$30 BD		$25 BD	$25 BD	$20 BD	
Specialist Visit	$120 After Ded	$100 After Ded		$80 BD	$60 BD		$50 BD	$50 BD	$40 BD	
Urgent Care	50% After Deductible			$40 BD	$30 BD		$25 BD	$25 BD	$20 BD	
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)										
Outpatient Surgery and Physician/Surgical Services										
Inpatient Hospital Services and ER	50% Coins. After Ded.	50% Coins. After Ded.	50% After Deductible *	50% After deductible	30% Coins. After Ded.	20% Coins. After Ded. **	30% Coins. After Ded.	30% Coins. After Ded.	20% Coins. After Ded.	30% Coins. After Ded.
Inpatient Physician and Surgical Services										
Inpatient Rehabilitation										
Ambulance										
All other benefits										
RX - Tier 1 Generic	$5 / $35 BD	$5 / $35 BD		$5 / $35 BD	$5 / $30 BD		$5 / $25 BD	$5 / $25 BD	$0/$15 BD	
RX - Tier 2 Preferred Brand				70 BD	$60 BD		50 BD	$50 BD	$50 BD	
RX - Tier 3 NonPreferred	50% After Deductible	50% After Deductible		50% BD up to $300	30% BD up to $300		30% BD up to $300	30% BD up to $300	30% BD up to $300	
RX - Tier 4 Specialty				50% BD up to $600	50% BD up to $600		50% BD up to $600	50% BD up to $600	30% BD up to $600	
Pediatric Dental Deductible	$100									
Pediatric Dental - Preventive & Diagnostic	0%									
Pediatric Dental - Restorative & Basic Services	20% Coin. After Dental Ded.									
Pediatric Dental - Major Services & Medically Necessary Orthodontics	50% Coin. After Dental Ded.									
Preventive Benefits, Diabetes Ed & Supplies, Nutritional Counseling, Pediatric Vision	0%									

* 1st PCP and Behavior Office Visit have $0 copay,subsequent visits have copay before deductible except HSA and Catastrophic plans

** Plan includes Preventive Rx which bypasses deductible for drugs on the Preventive Rx drug list

AD = After Deductible

BD = Before Deductible

MAINE ASSOCIATION OF HEALTH PLANS

December 4, 2020

Superintendent Cioppa
Maine Bureau of Insurance
34 State House Station
Augusta, ME 04333-0034

Dear Superintendent Cioppa,

I am writing to express MeAHP's thanks to the Bureau for everything that has been done to address the concerns we've raised thus far about the implementation of Clear Choice Products. We can appreciate the daunting task the Bureau is facing and recognize the difficulties and pressures you are working to balance. That said, we remain concerned, especially about the timeline, and urge you to consider submitting legislation seeking a revised schedule.

As we get further into the process of implementation, and more into the details, additional questions and concerns keep coming up and we expect that will continue. We are now in our fourth round of comments, with each set identifying new questions and issues that need to be worked out.

More issues for consideration include:

- Payment of CSRs: Under a Biden administration, payment of CSRs may resume, arresting loading of the second lowest silver plan, and thereby impacting subsidies.

- Risk adjustment: Plan design is largely a function of risk adjustment and the importance of attracting a well-balanced pool. Plans with smaller populations are more susceptible to challenges around risk adjustment because their pools have less elasticity. How will risk adjustment work under a merged market scenario? Will it be calculated on Individual and Small Group markets separately and then spread across the combined market? Handled some other way?

- Regulatory challenges: Regulations will need to be carefully thought through as they sometimes apply only to particular markets. Examples include:

    - Right to Shop: required in SG HSA plans but not across the markets

- Notice requirements for non-payment of premium are different in the Individual and SG markets. For groups, notices go to employers and employees. Under a merged market scenario, will Plans have to track the type of purchaser despite offering similar plan options?

- Rules and tools that apply to purchasers in specific markets: i.e. selling to individuals and small groups through the same portal, despite their vastly different purchasing styles and tools

The combination of the decision making around Clear Choice standardization and merged market rulemaking is coming along too slowly for plans to be able to develop products and pricing. Given all the uncertainties and yet-to-be-resolved matters outstanding, we believe a new legislative timeline needs to be authorized.

We urge a new legislative proposal, that we offer to work together with the Bureau and the Committee on, to establish targeted implementation for 2023 rather than 2022, an extension of one year. Further, starting in 2023, the CC products would be rolled out in phases to protect against widescale disruption, maximize learning by all parties, and enable purchasers to move from a broad array of choices to more limited options gradually. Delaying has the added benefit of enabling Plans to know whether they will be offering standardized plans in one combined market or two distinct ones, rather than having to prepare simultaneously for either outcome.

Thank you for your consideration of these comments.

Sincerely,

Katherine D. Pelletreau
Cc: MeAHP Board of Directors

December 4, 2020

Superintendent Eric Cioppa
Maine Bureau of Insurance
34 State House Station
Augusta, ME 04333-0034

Dear Eric,

Once again, thank you for the continued opportunity to provide feedback through a stakeholder process on the development of Clear Choice Plan Designs per Maine Public Law Chapter 653 of 2020. We appreciate the actions the Bureau has taken in support of past comments, especially the allowance of tiered products on Clear Choice as a mechanism of keeping consumer health insurance value high and premiums lower. In support of these initiatives by the Bureau, Harvard Pilgrim Health Care has compiled the following comments for your review and consideration. In particular, we're suggesting two additional Clear Choice Plan designs, continue to suggest a phased approach to the major changes proposed by Clear Choice, and suggest careful consideration of not moving forward with merging the individual and small group markets.

Additional Clear Choice Plan Proposals
Harvard Pilgrim reviewed the proposed Clear Choice plans against current Harvard Pilgrim offerings to suggest plan designs that aren't represented under the current Clear Choice proposals but that offer great value to our small business clients.

Currently:

- Over half of small group (SG) Harvard Pilgrim members choose HSA plans with deductibles ranging from $3,000 to $7,000 (a max of $6,950 to be exact).
- Over half of the HSA members choose plans with a deductible of $6,000 or more
- 25% of the HSA members choose plans with deductibles of $4,000 - $5,000.

The Clear Choice plans as proposed include only two HSA plans, a $3,000 deductible and a $5,700 deductible. To avoid significant disruption to the existing small group market, we suggest adding two additional HSA plans, one with $4,500 deductible and one with a $6,900 deductible.

Small businesses want to offer choice to their employees and allow their employees to decide what is right for their family. Including a $4,500 and $6,900 will ultimately afford higher quality coverage and overall lower costs to members and employers. As we've stated previously, employers and employees alike most often choose the lowest cost plan available and limiting HSA options to two will increase premiums and overall cost sharing. Furthermore, we have found that $3,000 HSA deductible plans haven't been popular in quite a long time and are seldom chosen, leaving only one viable HSA option. Adding $4,500 and $6,900 HSA options provide choice, and better match what small businesses need to be successful.

There is great diversity among small businesses and what is best for their employees and business needs. What is right for a law firm in Area 1, for instance, may differ dramatically from what is right for a nearby mechanic shop. Limiting plan choice changes the employer contribution strategy and disrupts budgeting; critical during such an uncertain environment. For employers who can afford to bear higher contributions, it may be important to them to offer a lower deductible HSA plan to be competitive within their field and draw the strongest employees. Employers need the right price to remain competitive and choice is critical to that.

Consider phased approach: In previous submitted comments we suggested a phased-approach timeline that allows Clear Choice benefit designs to be offered alongside existing products for the first several years of a merged market scenario would likely greatly diminish consumer and market disruptions. This would also provide an opportunity to examine the performance of Clear Choice products and any desirable modifications therein prior to the elimination of the existing products held by consumers. Another alternative, or complementary, option to phasing in this disruptive change is to begin by mandating insurers limit the number of choices in the market in 2022 as a first step. Clearly a primary concern of engaged consumer groups is the number of options in the market (realistically only the small group market at this time), but this focus at the exclusion of other cost and disruption concerns will come at a significant cost, and we would argue a steeper cost, and one that needlessly hits consumers' wallets during an uncertain time. This limiting of choice would require allowances on the part of the Bureau in relation to the guaranteed renewal regulations. Limiting choice might eliminate the standardizing of benefits entirely.

Do Not Merge the Individual and Small Group Markets

Harvard Pilgrim continues to have concerns about the negative impact on the health insurance markets related to merging the individual and small group markets. While we await the posting of the third actuarial analysis, we already have significant evidence from both the Milliman and Gorman analyses that clearly demonstrate the threshold for benefit set by Maine Public Law Chapter 653 of 2020 is not met. One analysis predicts the merger will have net neutral premium impact, the other analysis suggests higher rates in both markets. Do no harm should be our standard here, this change cannot be made with any sense of comfort that we are doing no harm.

Harvard Pilgrim Health Care maintains that choice equals value. During a time of economic uncertainty that will last into the period of these changes, our concern over market destabilization continues. However, we appreciate the collaboration you have offered and the integration of our feedback over the course of the stakeholder process. We hope our comments above continue to prove helpful to you and we are available to provide any supplemental information needed.

Sincerely,

Bill Whitmore
Vice President, Maine Market

Clear Choice Design Committee

Comments from Maine Association of Health Underwriters

December 2, 2020

We have no additional comments on the most recent plan design template. We do remain concerned about the cost impact of copays in the Tier 3 and Tier 4 Prescription plan designs due to potential selection issues, but we understand the considerable pressure to have such an option available. Other than that, we have no further comment on the proposed plan designs.

Our final point would be to stress the need for a quick release of the final designs, allowing carriers time to price these products and give our members ample time to develop crosswalks from existing plans into new Clear Choice plans for Plan Year 2022. Additionally these new plans will require more time to educate our group clients and their members of the changes in benefits.

We would like to recognize the Bureau staff for the time and effort put into this process, especially during the disruptions caused by the current situation.