

September 19, 2020

Marti Hooper
Maine Bureau of Insurance
34 State House Station
Augusta, Maine 04333

Re: Comments on the Report on Policy Option for Maine Individual and Small Group Markets

Dear Ms. Hooper,

The following comments are submitted jointly on behalf of AARP Maine, American Cancer Society Cancer Action Network, Consumers for Affordable Health Care, and Maine Equal Justice. We would like to thank you for the opportunity to provide comments on the policy option to merge Maine's individual and small group markets.

Insurance functions as a means of spreading risk and costs across a pool of individuals to minimize the risk and costs assumed by any one person. This makes it more affordable for someone to access health care, if and when they need to. Markets are most stable, and insurance is most successful in ensuring access to affordable coverage, when risk pools are as large and inclusive as possible.

As the analysis prepared by Gorman Actuarial, Inc. states, "Generally, as markets get smaller, the enrollees who remain in the market are less healthy and require more health care resources, which drives up premiums." Smaller markets are also more susceptible to experiencing volatility from disruptions or changes to market conditions, compared to larger markets that can more easily balance fluctuations and absorb impacts from unexpected changes. Given the relatively small size of Maine's existing individual and small group markets, combining the two markets into a single merged market may prove particularly beneficial. Additionally, people frequently move between private individual health coverage, employer-sponsored insurance, and public coverage options, like Medicaid and Medicare. These transitions in coverage have recently been exacerbated due to the economic downturn related to COVID-19. Merging the individual and small group markets would help to minimize the impact of enrollment churn and simplify transitions in coverage for individuals transitioning between individual and small group plans.

Since reducing market fragmentation will help stabilize markets and benefit Maine people, we are supportive of establishing a single merged market for all individual and small group plans. We also encourage the Bureau of Insurance to consider additional initiatives to improve affordability and promote increased participation in coverage within the merged market. According to estimates from the Kaiser Family Foundation, only 63% of people in Maine who were eligible for subsidies through the Marketplace were enrolled in a subsidized Marketplace plan in 2019.¹ Maine should consider policies aimed at enrolling the remaining 37% of Maine's

¹ Marketplace Enrollees Receiving Financial Assistance as a Share of the Subsidy-Eligible Population, Kaiser Family Foundation (2019). Available at: <https://www.kff.org/health-reform/state-indicator/marketplace-enrollees->

potentially subsidy eligible individuals in Marketplace coverage by addressing enrollment and financial barriers to obtaining coverage. Efforts to enroll uninsured APTC-subsidy populations, particularly low-income individuals, will directly expand access to coverage to targeted populations, including members of marginalized and vulnerable communities, as well as increase the amount of federal pass through funding that would be available under a 1332 waiver. Increasing participation in coverage among APTC-eligible populations will further expand the risk pool and, by increasing funding available for reinsurance, will also help to lower premiums for individuals who don't qualify for ATPCs and for small employers and employees, thus furthering the overall goal of the proposed policy.

Thank you very much for this opportunity to provide these comments. We appreciate the efforts being taken to increase stability within Maine's insurance markets and improve the affordability of coverage for Maine people.

Sincerely,

AARP Maine
American Cancer Society Cancer Action Network
Consumers for Affordable Health Care
Maine Equal Justice

[eligible-for-financial-assistance-as-a-share-of-subsidy-eligible-population/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Percent%20of%20the%20Potential%20Subsidy-Eligible%20Population%20Enrolled%22,%22sort%22:%22desc%22%7D](#)