



**Consumers for
Affordable
Health Care**

Advocating the right to quality, affordable
health care for all Mainers.

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Testimony in Opposition to:

LD 520, An Act to Ensure Choices in Health Insurance Markets by Modifying the Provisions of Law Governing Clear Choice Design Health Plans

Senator Bailey, Representative Mathieson, and Members of the Joint Standing Committee On Health Coverage, Insurance and Financial Services, thank you for the opportunity to submit these comments in opposition to LD 520 An Act to Ensure Choices in Health Insurance Markets by Modifying the Provisions of Law Governing Clear Choice Design Health Plans.

My name is Kate Ende and I am the Policy Director at Consumers for Affordable Health Care (CAHC), a nonpartisan, nonprofit organization that advocates the right to quality, affordable health care for every person in Maine. As designated by Maine's Attorney General, CAHC serves as Maine's Health Insurance Consumer Assistance Program (CAP), which operates a toll-free HelpLine. Our HelpLine, fields over 7,000 calls and emails every year from people across Maine who need help obtaining, keeping, using, or fixing problems with private health insurance or with accessing or affording health care services. CAHC also serves as the Ombudsman program for Maine's Medicaid program, MaineCare, and helps people apply for and navigate the enrollment process for MaineCare. It is with that background that we provide these comments.

Standardized benefit designs simplify the consumer shopping experience by helping people make apple-to-apple comparisons between health plan options. Too many plan options can contribute to consumer confusion and decision fatigue. According to an issue brief published by the U.S. Department of Health and Human Services, older adults, women, individuals with low-income, and individuals with chronic conditions are more likely to enroll in plans that result in higher costs when presented with larger choice sets. Among uninsured individuals, nine plan options compared to three resulted in lower insurance comprehension, which was associated with at least \$500 in increased expected annual costs. As stated by HHS, "choice overload raises significant concerns in terms of health equity."¹

¹ Chu, R.C., Rudich, J., Lee, A., Peters, C., De Lew, N., and Sommers, B.D. Facilitating Consumer Choice: Standardized Plans in Health Insurance Marketplaces (Issue Brief No. HP-2021-29). Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services. December 2021.

Currently, there are already twelve Clear Choice plan designs. In addition to Clear Choice, carriers are also permitted to offer three alternative plan designs. However, each single plan design can result in several plans. According to Rule Chapter 851:

Two plans shall be treated as different options within a single Clear Choice Design or within a single Alternative Plan Design if they differ only by characteristics that are not specified in the cost-sharing design, or that are expressly permitted to vary, including but not limited to:

- (1) Whether the plan includes or excludes pediatric dental benefits, to the extent permitted by law;*
- (2) Whether the plan is a Silver plan variant providing cost-sharing reductions as determined by the carrier in accordance with the ACA;*
- (3) Whether the plan is a preferred provider arrangement, a health maintenance organization plan, or a point-of-service health maintenance organization plan;*
- (4) Whether the plan uses a tiered network. Tiered network plans may be offered as Clear Choice Plans as long as the specified cost sharing is offered at the broadest network tier;*
- (5) Whether the plan includes an additional tier for low-cost generic prescription drugs, with a lower copayment than the copayment specified for generic drugs; and*
- (6) Whether the plan incorporates a site-of-service incentive program. A site-of-service incentive benefit may, for example, apply a copayment in place of a deductible or coinsurance that would otherwise apply.*

This means a carrier can offer several plans withing a single Clear Choice or alternative plan design. For example, there are ten Clear Choice Silver \$3,500 plans currently offered to residents in Kennebec County, six of which are offered by the same carrier. We believe the existing rules allow for sufficient flexibility for carriers to offer a wide range of plans to individuals and small businesses, without having to require the Bureau of Insurance to develop separate Clear Choice plan designs for individuals and small groups.

Thank you for your consideration.