

Testimony of Jake Lachance

on behalf of the Maine State Chamber of Commerce

in support of LD520: *An Act to Ensure Choices in Health Insurance Markets by Modifying Provisions Governing Clear Choice Design Health Plans*

Before the Joint Standing Committee on Health Coverage, Insurance, and Financial Services

February 27, 2025

Honorable Senator Bailey, Representative Mathieson, and Members of the Health Coverage, Insurance, and Financial Services Committee:

My name is Jake Lachance, and I am a Government Relations Specialist with the Maine State Chamber of Commerce. I am here today to express our support for LD 520, a legislative reform that we believe will enhance innovation and expand choice in Maine's health insurance markets.

Key Points of Support:

1. Reducing Administrative Costs:

Current law forces carriers operating in the pooled market to create duplicate plans for both individual and small group segments—even when those plans are never marketed—resulting in needless administrative burdens. LD 520 eliminates this requirement, thereby reducing unnecessary costs.

2. Promoting Innovation and Consumer Choice:

The existing Made for Maine Health Improvement Act restricts carriers to only three alternative plan designs across market segments. This limitation does not address the distinct needs of employers versus individuals. By allowing carriers to offer up to three alternative plans for both individuals and small groups, and by requiring the Superintendent of Insurance to develop separate Clear Choice Designs for each market, LD 520 will foster greater innovation and provide more tailored options for consumers.

3. Ensuring Timely Finalization of Plan Designs:

In December 2024, the Bureau of Insurance released its proposal for the 2026 Clear Choice Plans, with plans expected to be finalized shortly. Given that stakeholder input requires several months to process, LD 520's provision for a January 31 deadline is crucial. We respectfully urge the Committee to amend the legislation so that this deadline applies to the final plan designs, ensuring that all parties have sufficient time for analysis and product development.

In summary, Maine State Chamber of Commerce believes that LD 520 is a necessary reform to streamline administrative processes, stimulate market innovation, and provide Mainers with more health insurance choices. We strongly urge the Committee to vote Ought to Pass on LD 520.