

**TESTIMONY OF MARTI HOOPER
LIFE AND HEALTH ACTUARY
BUREAU OF INSURANCE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION**

In opposition to L.D. 520

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

**Presented by Representative Joshua Morris, Representative Robert A. Foley,
Senator David G. Haggan, Representative Paul R. Flynn, Representative Rolf
A. Olsen Jr., and Representative Marygrace Caroline Cimino**

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

February 27, 2025 at 1:00pm

Senator Bailey, Representative Mathieson, and members of the Health Coverage, Insurance and Financial Services Committee, I am Marti Hooper, Life and Health Actuary for the Maine Bureau of Insurance. I am here today to testify in opposition to L.D. 520. This bill would amend requirements for Clear Choice standardized health plans. It would allow for separate Clear Choice plans and separate alternative plans for the individual and small group market. It sets a date of no later than January 31 to release the proposed plans for comment by stakeholders. The bill eliminates requirements related to premium rate adjustments for health plans that are issued on other than a calendar year basis.

The bill would undo key elements of the Made for Maine Act, which was originally enacted in 2019¹. Clear Choice standardized health plans are a basic cost-share structure intended to make comparisons easier for consumers purchasing health insurance. Beginning in 2022 plan year, the Bureau proposed 12 plans with input from stakeholders that matched plans offered in the individual market. For the 2023 plan year, the same process with input from stakeholders was used to develop 8 additional Clear Choice plans for the merged market. Since 2023, the Bureau has reduced the number of plans to 11 proposed for plan year 2026 based on a review of enrollment, eliminating several plans with low enrollment.

In addition to the 11 Clear Choice plans in 2026, carriers are able to offer up to 3 alternative plans in addition to the standardized plans, and to offer variations depending on networks or other plan differences. Today, there are more than 60 health plans offered in the merged market. Although we agree that consumer choice is desirable, the very large number of plans available, many with very modest differences in cost sharing, actually is more confusing to consumers. The Clear Choice concept helps to make sure there are clear, *meaningful* differences among plans. We encourage the Committee to maintain these reforms as a way of maintaining market stability.

The bill raises significant concerns for the Bureau because of the current Section 1332 waiver for the pooled market, which took effect on January 1, 2023 and runs through December 31, 2027. This waiver provides the funds to extend reinsurance to the small group market. Any proposed changes to the waiver, such as those included in L.D. 520, would need to be submitted to the Centers for

¹ PL 2019, c. 653, An Act To Enact the Made for Maine Health Coverage Act and Improve Health Choices in Maine.

Medicare and Medicaid Services (CMS) and approved by CMS before the change could take effect.

Thank you, I would be glad to answer any questions now or at the work session.