

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

**In opposition to L.D. 519**

**An Act to Remove the Requirement That Individual and Small Group Health Plans Be Offered Through a Pooled Market and to Eliminate the Provision of Law Establishing a Pooled Market for Those 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. 519. This bill would repeal the pooled market law<sup>1</sup> and references to it throughout Title 24-A, remove the requirement to offer Clear Choice standardized plans, and eliminate the reinsurance program for the small employer market.

The bill would undo key elements of the Made for Maine Act, which was originally enacted in 2019<sup>2</sup>. One purpose of the Made for Maine Act was to

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<sup>1</sup> 24-A M.R.S. § 2792.

<sup>2</sup> PL 2019, c. 653, An Act To Enact the Made for Maine Health Coverage Act and Improve Health Choices in Maine.

simplify purchasing health insurance for individuals and small employers by limiting the number of plan options and offering consumers and businesses meaningful choice in their health plan options. Another purpose was to strengthen the individual and small employer health insurance markets by combining them into a single larger risk pool and extending reinsurance to the small employer market. These two actions were designed to lower the annual premium increases that made it increasingly difficult for small businesses to offer coverage to their workers. As a result of these changes, enrollment in both the individual and small group market have stabilized and insurance premiums are lower than they otherwise would be.

While individual market enrollment more than doubled with passage of the Affordable Care Act (ACA) and the availability of premium subsidies for lower income individuals, enrollment in the small employer market was declining. Small employer market policies do not receive premium relief in the form of subsidies or cost-share reductions available to the individual market. Premium relief is now available to the small employer market by extending the reinsurance program by merging the markets and implementing a Section 1332 waiver with approval from the Centers for Medicare and Medicaid Services (CMS). Merging the markets and extending reinsurance to the small employer market lowered the average premium by 7% in both 2024 and 2025.

Since there is only one complete year of merged market experience, it is too soon to provide any analysis of the longer-term effect of the merged market. However, we do know that removing the small employer market from the reinsurance program, as this bill would do, will raise health insurance premiums for Maine's small employers.

Clear Choice standardized plans provide a basic cost-share structure intended to make health plan comparisons easier. Beginning in the 2022 plan year, with input from stakeholders, the Bureau proposed 12 Clear Choice plans that closely matched plans offered in the individual market. For 2023, the Bureau introduced 8 additional Clear Choice plans to minimize disruption in the small employer market due to the merging of the markets, but since then the Bureau – again with input from stakeholders – has reduced the total number to 11 standardized plans proposed for 2026 due to the elimination of several plans with low enrollment.

It is important to point out that carriers are permitted to offer up to 3 plans in addition to the standardized plans. Today, there are more than 60 health plans offered in the merged market. We urge the Committee to maintain these reforms as a way of providing market stability and helping consumers and small employers choose a health plan that best meets their needs.

Finally, the bill raises concerns for the Bureau because of the current Section 1332 waiver from CMS that took effect on January 1, 2023 and runs through December 31, 2027. This waiver provides the funds to help lower the cost of health insurance for small employers and individuals. Any changes to the waiver would need to be reviewed and approved by CMS before the change takes effect.

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