

HEALTHCARE
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**Testimony of Trevor Putnoky
to the Joint Standing Committee on Health Coverage, Insurance and Financial Services**

In support of

LD 1310, An Act to Amend the Laws Governing Insurance Coverage of Preventive and Primary Health Services

April 8, 2025

Good afternoon, Senator Bailey, Representative Mathieson, and Members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services.

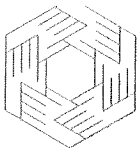
My name is Trevor Putnoky and I'm the President and CEO of the Healthcare Purchaser Alliance of Maine. The HPA is a nonprofit that represents the purchasers of health care in Maine. Our mission is to advance and support access to high-quality, affordable care. We have over 60 members, including some of the largest public and private employers and health trusts in Maine. Collectively, our members spend over a billion dollars annually providing health care for nearly one quarter of the commercially insured population in the state.

I'm here today to testify in support of LD 1310.

Maine employers and employees are struggling to afford the cost of providing healthcare coverage to employees and their families, with premiums continuing to increase significantly every year due to the rising costs of medical care and prescription drugs. These increases have been borne by both employers and employees, with employees experiencing higher cost sharing through increased deductibles, copays/coinsurance, and out-of-pocket maximums. In fact, Maine has the 8th highest average individual deductible in the country for employment-sponsored plans.¹ And too often, those high deductibles are a barrier to Mainers receiving care. The average family deductible in Maine in 2023 was nearly \$4,000.² That's the amount a plan member has to pay out of pocket for their care before their insurance kicks in. Many Mainers can't afford those out-of-pocket costs and often make the tough decision of not seeking the care they—or their family members—need because they can't afford to pay for it.

¹ Kaiser Family Foundation, Average Annual Deductible per Enrolled Employee in Employer-Based Health Insurance for Single and Family Coverage, 2023. Available at: <https://www.kff.org/other/state-indicator/average-annual-deductible-per-enrolled-employee-in-employer-based-health-insurance-for-single-and-family-coverage/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

² Ibid.



Employers and employees in the fully insured market have been particularly hard hit by rising costs, in part because employers have less flexibility to implement tools and strategies that address the wide variations in price and quality that exist within our healthcare market and lead to higher costs for both the plan and employees. Many of our fully-insured purchasers do their best to educate their members about this variation and encourage them to shop for commodity services, but it can be challenging for consumers to access timely, consumer-friendly information on price and quality when seeking healthcare services. LD 1310 would give fully insured employers—and their employees—access to alternative types of health plans that have emerged in the market, which leverage enhanced transparency and consumerism to make costs more affordable for both employers and employees. These plans typically waive cost-sharing such as deductibles and coinsurance, and provide plan members with upfront provider cost and quality information, which allows them to compare options and choose the most effective, convenient, and affordable care for them. And with no deductibles, members do not face those tough decisions to forego care due to cost. A recent study of one such plan offering found that it reduced claim costs by more than \$400 per member per year.³

As this committee knows all too well, lowering the cost of care and making care more affordable for Mainers is difficult and complex. Too often, strategies that reduce healthcare costs for some come at the expense of higher costs for others. The change proposed in LD 1310, in contrast, would enable employers in the fully insured market to offer plans that engage employees in their own care, giving them the information and incentive they need to choose high-value and affordable options, which can lower overall costs. LD 1310 would not mandate use of such plans; it would simply provide employers with another option, one that may enable them to lower plan and employee costs without reducing benefits or raising member cost sharing. In fact, plan members would likely see their cost-sharing decline under these types of plans. I hope that you will consider allowing this option to be offered to Mainers, many of whom are struggling to access the care they need, and would welcome this alternative to the increasingly unaffordable products that are currently available.

Thank you for the opportunity to share the HPA's feedback on LD 1310. I'd be happy to answer any questions and will be available for the work session.

³ Paige Minemyer, "Where UnitedHealthcare is seeing cost savings in its Surest plan," *Fierce Healthcare*, June 24, 2024. Available at: <https://www.fiercehealthcare.com/payers/where-unitedhealthcare-seeing-cost-savings-its-surest-plan>.