

**TESTIMONY OF BOB CAREY  
SUPERINTENDENT  
BUREAU OF INSURANCE  
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION  
L.D. 1687**

**An Act to Clarify and Increase Access to HIV Prevention Medications**

**Presented by Representative Moonen**

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

**April 29, 2025 at 1:00pm**

Senator Bailey, Representative Mathieson, and members of the Health Coverage, Insurance and Financial Services Committee, I am Bob Carey, Superintendent of the Maine Bureau of Insurance. The Bureau of Insurance supports safe and effective medical treatment. Health care providers can better speak to the efficacy and benefits of this proposal. My testimony is focused on who is affected by state-mandated benefits and the potential cost of the cumulative effect of adding mandates to coverage.

State-mandated benefits apply to fully insured commercial health plans purchased by Maine individuals and Maine businesses on behalf of their employees. The Bureau estimates that 290,000 Mainers are enrolled in fully insured health plans.

Conversely, approximately 60% of the commercial health insurance market – or roughly 405,000 people – are in self-funded plans offered by their employers and are not required to cover any state-mandated benefit. Further, all other Mainers that receive coverage through federal or state programs, such as Medicare and Medicaid, as well as those covered through the VA and other plan sponsors are unaffected by state-mandated benefits.

These mandated benefits increase costs for individuals and businesses who are responsible for paying health insurance premiums.

Any mandated benefit has a cost, and that cost is paid by policyholders, some of whom already pay tens of thousands of dollars for health insurance every year. As the Bureau has noted in prior testimony, in 2025, a health plan with a \$10,000 deductible that covers a family of four in Lincoln County costs roughly \$21,600 annually. When adding in the potential out of pocket maximum of \$16,000, the total cost to that family could exceed \$37,000.

Without adding more mandated benefits, health insurance costs for this family will rise even further in 2026.

Pursuant to the federal Affordable Care Act, states have been required to pay the costs of mandated benefits that are included in Qualified Health Plans sold to individuals through the health insurance exchange – CoverME.gov in Maine – unless the mandated benefit is part of the Essential Health Benefits Benchmark plan. This means the cost of the mandated benefit is not part of the premium paid by individuals, but rather the state must pay for the benefit on behalf of these individuals. This defrayal cost is a factor when considering the cost of a mandated benefit, but it is not the only factor nor, in my opinion, the main factor.

This bill would require carriers offering fully insured health plans in the State to cover each long-acting injectable drug for HIV prevention with a different duration with no out-of-pocket costs, no prior authorization, and no step therapy requirements.

While an individual mandate such as this one does not add significant costs, it cannot be considered alone. The Committee has under consideration several mandated benefit proposals, and the cumulative costs of all state-mandated benefits increases the cost of health insurance. These cost increases directly affect the viability and affordability of health insurance for Maine citizens who have insurance plans regulated by the Bureau.

When health insurance costs get too high, more employers may shift to self-funded plans, which are not subject to state-mandated benefits. These self-funded plans are also not subject to consumer protections provided to people enrolled in fully insured plans, and the Bureau has no direct authority to oversee most self-funded plans.

In addition, as the cost of fully insured health plans increases, consumers may be tempted to move from the regulated market to sham policies that lure people with low premiums but fail to provide health benefits when policyholders seek care.

In balancing the potential benefits of this bill in terms of medical treatment versus cost, I urge the committee to consider the wider impact of state-mandated benefits on the health insurance market.

I would be happy to answer questions the committee members may have either now or during the work session.