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Testimony In Support of L.D. 1402

**An Act to Convene a Stakeholder Group to Determine Methods of
Ensuring the Long-term Solvency of the Maine Guaranteed Access Reinsurance Association
May 7, 2025**

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

My name is Dan Demeritt, the Executive Director of the Maine Association of Health Plans. Insurance coverages offered or administered by our member plans provide access to care and better outcomes for many of the Mainers who receive coverage through an employer plan or the individual market.

The Maine Association of Health Plans and representatives of some of our member plans serve as carrier representatives on the Maine Guaranteed Access Reinsurance Association Board. We collaborate with stakeholders represented on the Board to oversee the program and as stewards of the assessment dollars included in premium payments by individuals and employers that support the state's reinsurance program.

While I serve on the MGARA Board, my comments today reflect the views of the MeAHP.

An assessment of \$4 per member per month is paid into the program for every commercially insured life in Maine inclusive of both fully-insured and self-insured plans.

Higher health care costs, static revenues, and the policy decision to expand the program's scope have reduced MGARA's impact on premiums from 17% in 2021 to a projected impact of just 4% in 2026.¹

We appreciate the time the Committee has spent developing an understanding of the challenges facing MGARA and the leadership of the Bureau of Insurance. We believe an evaluation of the program and how to enhance its value is appropriate.

MeAHP is not prepared to endorse any solutions at this time, but would urge the Committee to consider adding the following to the items of consideration under §3:

- Mechanisms to increase the value of MGARA given the merged market
- Decoupling the Individual and Small Group markets

¹ MGARA and BOI Presentation to HCIFS: Current State and Future Prospects, 3/12/25

- Return MGARA to a prospective model, rather than the current retrospective model
- Policies that can increase the size of the small group market pool.

We urge a vote of Ought to Pass as amended on L.D. 1402 and look forward to being a part of conversations with stakeholders that seek value-focused, long-term solutions for Maine's reinsurance program.

Thank you for your consideration.

