

LD 443, An Act To Ensure Choices in Health Insurance Markets

SUMMARY:

This bill limits the requirement for health insurance carriers to offer so-called clear choice design plans to individual health plans offered through the federally facilitated marketplace pursuant to the federal Affordable Care and Patient Protection Act or the Maine Health Insurance Marketplace. The bill also expands the ability of carriers to offer alternative plans to a clear choice design plan.

CURRENT LAW:

Under [24-A MRSA §2793](#), the Superintendent of Insurance is required to develop clear choice designs for the individual and small group health insurance markets in order to reduce consumer confusion and provide meaningful choices for consumers by promoting a level playing field on which carriers compete on the basis of price and quality. "Clear choice design" is defined to mean a set of annual copayments, coinsurance and deductibles for all or a designated subset of the essential health benefits.

Individual and small group health plans offered in this State with effective dates of coverage on or after January 1, 2022 must conform to one of the clear choice designs unless an opt-out request is granted. The law also permits a carrier to offer up to 3 health plans that modify cost-sharing parameters in a clear choice design.

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ISSUES FOR CONSIDERATION:

1. The Bureau of Insurance testimony indicated that they have conducted lengthy stakeholder process to help develop clear choice designs. Following that process, the Bureau has proposed [Rule Chapter 851](#), Clear Choice Designs for Individual and Small Group Health Plans. The Bureau has defined 12 cost share designs, including 3 HSA plans and all metal levels. The public hearing on the proposed rule was held on March 12, 2021 and public comments will be accepted until March 23, 2021.
2. How will this impact consumers and small employers shopping for health plans? Current law states that clear choice designs are intended to “reduce consumer confusion and provide meaningful choices for consumers by promoting a level playing field on which carriers compete on the basis of cost and quality.”
3. Interested parties representing carriers and employers stressed availability of choice and flexibility in developing small group health plans currently and concerns about potential for increased premiums with clear choice designs. Consider whether limits on plans offered in small group market will drive some small groups to self-insurance or stop loss options?
4. Consider delay until next plan year?

FISCAL INFORMATION:

Not yet determined