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**TESTIMONY OF ERIC A. CIOPPA  
SUPERINTENDENT OF INSURANCE  
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DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION**

**In Opposition to L.D. 443**

**“An Act To Ensure Choices in Health Insurance Markets”  
Presented by Representative Joshua Morris**

**Before the Joint Standing Committee on Health Coverage,  
Insurance & Financial Services  
February 25, 2021 at 11:15 a.m.**

Senator Sanborn, Representative Tepler, and members of the Committee, I am Superintendent of Insurance Eric Cioppa. I am here today to testify in opposition to L.D. 443.

This bill would scale back the Clear Choice program by specifying that it would “only apply” to individual health insurance coverage offered on the Marketplace. Clear Choice is one of the initiatives enacted last year as part of the Made for Maine Health Coverage Act.<sup>1</sup> Beginning in 2022, all individual and small group health plans offered in Maine, with limited exceptions, will be required to conform to one of the standardized cost-sharing designs developed by

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<sup>1</sup> P.L. 2019, ch. 653 (LD 2007).



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the Bureau of Insurance after stakeholder consultations. The goal, as set forth in the statute, is “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.”<sup>2</sup> The exception is that in addition to the Clear Choice plans that a carrier offers, it may also offer up to three alternative plans as long as the carrier demonstrates that the alternative plan offers significant consumer benefits and does not result in adverse selection.<sup>3</sup> In addition to making Clear Choice inapplicable to small group coverage and to off-Marketplace individual coverage, the bill would also remove the limit on the number of alternative plans that carriers are able to offer on the Marketplace.

We oppose these changes to the Clear Choice program. We have conducted a lengthy series of stakeholder consultations, and worked hard with representatives of the carrier, producer, consumer, and small business communities to develop a range of options to meet market demand, which includes allowing carriers to add three alternative designs to their product portfolios if the Clear Choice options are insufficient. The effect of the bill would be to change Clear Choice from the marketplace standard to making it merely one option among many. Although this would increase consumer choice, it would also reduce market transparency, and make it more difficult for individuals, families, and small businesses to engage in meaningful comparison shopping when they buy health insurance. By diluting the presence of Clear Choice plans in the market, the bill would make the Clear Choice program more closely resemble the “standard and basic” plans that carriers were required to offer alongside their regular product portfolios in the 1990s and the

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<sup>2</sup> 24-A M.R.S. § 2793.

<sup>3</sup> 24-A M.R.S. § 2793(4).

early 2000s. Because these plans were only a small niche market and were not competitively priced or promoted by the carriers, they never fulfilled their intended purpose, and the program was eventually repealed.

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