



February 25, 2021

To: Sen. Heather Sanborn and Rep. Denise Tepler, co-chairs
Members, Committee on Health Coverage, Insurance & Financial Services

From: David R. Clough – Maine State Director

Re: LD 443 -- An Act To Ensure Choices in Health Insurance Markets

This statement is on behalf of the nearly 3,000 small business owners in Maine who are members of the National Federation of Independent Business. NFIB has members in every Senate district and in 150 House districts. Member businesses collectively span a wide range of economic activities.

NFIB supports removing small group plans from the Clear Choice law or deferring until after 2021 a move to Clear Choice plans and allowing insurers to offer numerous options to small employers.

Comments from insurers who participated in a Bureau of Insurance stakeholder process last year indicate Clear Choice plans could be a bad deal for small employers:

“Because the Clear Choice plans as currently designed have benefits that are leaner than what is currently offered in the Small Group market today, we estimate that over 90% of our Small Group members would see a reduction in benefits when moving to a Clear Choice plan.”

Anthem comments to Superintendent Cioppa, December 4, 2020

It is unlikely that small employers or their workers want less insurance coverage than the company has now. “Leaner” benefits is worse for policyholders, not better.

“2022 Flexibility – There will certainly be unintended and unanticipated consequences of implementing Clear Choice plans across newly merged individual and small group markets...Market-At-Large – Perhaps the most significant consequence of Clear Choice plans will be the increase in premiums for health insurance.”

Community Health Options comments to Superintendent Cioppa, November 6, 2020

A wide range of policy choices is vital to small employer ability to provide affordable group insurance coverage for employees. Unlike individuals making health insurance purchase choices, small employers typically interact with an insurance agent in assessing the merits and costs of different plans. Part of that discussion includes the composition of workers who would be insured, what the small employer has currently for a policy, and what is affordable in the upcoming policy year. It is an interactive process in which numerous choices are considered in order to achieve a balance between what the small employer can afford, what costs get passed to employees, and what value-for-premium comes with the policy.

As was noted at today’s public hearing, there are a number of moving parts including the impacts of the coronavirus pandemic that need to be more fully assessed before going forward with significant changes to the individual and small group health insurance markets.