



TO: Senator Heather Sanborn, Chair
Representative Denise Tepler, Chair
Members, Joint Standing Committee on Health Coverage, Insurance and Financial Services

FROM: Dan Colacino, Vice President

DATE: February 21, 2021

RE: LD # 443: An Act To Ensure Choices in Health Insurance Markets

On behalf of the Maine Association of Health Underwriters (MaineAHU), I am pleased to have the opportunity to submit comments on the proposed bill.

MaineAHU is a state chapter of the National Association of Health Underwriters and represents licensed agents, brokers, and employee benefit consultants who sell and service individual and group health, disability, Medicare, and long-term care insurance.

We are writing in support of LD# 443.

We fully support the mandated Clear Choice designs for the Individual Market. Although Navigators, brokers, and other Assistors are available to help individuals select a health plan, the member often signs on and selects a plan on their own. The sheer number of plans and, in many cases, very subtle differences between plans, can cause significant confusion for members who end up just buying the lowest cost plan available, regardless of whether it meets their needs. Limiting and standardizing the

plan selections is appropriate for the individual market and as a member of the working group, we actively supported this initiative.

However, we also questioned the need to do so in the group market where the sale is made to a more sophisticated buyer who almost always is advised by a broker or representative from the insurance carrier. Employers have varying needs among their workforce so limiting the number of plan designs would be a detriment to the employees who enroll. Many employers supplement their plans with Health Reimbursement Arrangements or Health Savings Accounts which work best when the employer has flexibility in plan options.

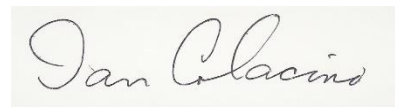
Not all existing group plans fit into the Clear Choice designs which will require significant employer and employee education during the transition to ensure the new plan is understood.

In addition, employers will be facing rate increases going into the 2022 plan year. Many of those increases will be exacerbated when the closest Clear Choice design requires an increase in benefits. Faced with higher-than-expected premium increases, employers will no doubt reduce their contributions to the plans to keep it affordable for the business.

We would recommend limiting the Clear Choice designs to the Individual Market where we believe this change is needed.

We would like to thank the Committee for considering our comments and the opportunity to express our views. If you have questions, please feel free to contact me.

Respectfully,

A handwritten signature in cursive script, reading "Dan Clacino", is displayed on a light green rectangular background.

Dan Colacino

Vice President

Maine Association of Health Underwriters

info@dancolacinollc.com

518-229-8103