

Hon. Heather Sanborn
Senate Chair
Hon. Denise Tepler
House Chair
Joint Standing Committee on Health Coverage, Insurance and Financial Affairs
Room 220, Cross State Office Building
Augusta, ME 04330

Thursday, February 25, 2021

Dear Senator Sanborn and Representative Tepler:

The Maine State Chamber of Commerce to go on record in support of, **L.D. 443, *An Act to Ensure Choices in Health Insurance Markets.***

As we indicated to the Bureau of Insurance this fall, while simplicity has its benefits, under the direction of the enacting legislation passed last session, limiting the number of plans made available to small businesses and individuals also eliminates flexibility for those same groups. We recognize the goal of that legislation was to make shopping for a plan clearer, simpler, and more universal. So, significantly reducing the number of plan options for a handful of consistent plan designs on its face may in fact make choices by an employer and their employee more efficient and simpler. But we would ask, at what cost?

While the small group marketplace can be daunting for health insurance shoppers today, it also presents them with an array of plan options, and with that comes flexibility. Small businesses today, as you well know, are shopping for policies for their employees (and themselves) based on plan design, but more importantly on the affordability of those designs. Collapsing the large number of plans options available today into a handful of options may make it easier to pick a plan. But will such a change fulfill the mantra “if you like your plan you will get to keep it?” And most importantly, will it make those plans available less expensive than what can be bought today?

In our opinion, that is the one, most important question that moving forward with Clear Choice Plan Design must answer; will these new plans cost consumers – defined as businesses and their employees - less? If the answer is, we don’t know, we aren’t sure, or even worse, no, then it is our position that any work in this area stop, or slow down, until definitive answers to these questions are known. This is what L.D. 443 seeks to accomplish.

We again recognize there are considerable unknowns in the small group market absent Clear Choice Plans. Most notably the movement to merge the individual and small group markets – a policy issue we have already presented you with comments on today. The cost savings associated with the merger for small group is questionable at best. We have concerns

that limiting plan design will make the affordability of those plans any greater, particularly since any cost savings associated with limiting the markets to such a small number of plans, relies on the dependence of providers and carriers to successfully negotiate rates that are lower than current plans.

Again, we would ask, where is the benefit of making this significant change if there are not cost savings to be gained for the small business community and their employees? Would the Bureau and Administration go forward with this if it ultimately results in increased costs? Would or should the legislature allow them to do so if this was the case? The Chamber believes the Bureau and legislature should view *any* changes in this area going forward, through the lens of cost impact. We believe most small business would prefer lower cost plans over simplicity of shopping for them.

We would urge this committee to use L.D. 443 to slow the process of developing Clear Choice Plans down until definite answers to the important questions discussed here can be answered clearly and convincingly to the small business community. While it is not the intent of the Bureau or the Legislature to exacerbate the problems in the small group market, we have concerns that the speed at which this process is being driven does not consider the unintended consequences on our small business members, especially when combined with the proposal to merge the individual and small group markets at the same time. It is for this reason that we are in support of L.D. 443.

We appreciate the opportunity to provide you with our comments.

Sincerely,

Peter M. Gore
Executive Vice President
Maine State Chamber of Commerce