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March 18, 2021

Honorable Heather Sanborn, Senate Chair
Honorable Denise Tepler, House Chair
Joint Standing Committee on Health Coverage, Insurance and Financial Services
100 State House Station
Augusta, Maine 04333-0100

Re: L.D. 443, “An Act To Ensure Choices in Health Insurance Market”

Dear Senator Sanborn, Representative Tepler, and Members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services:

Thank you for the opportunity to testify at the public hearing on February 25, 2021. This letter is intended to provide further information regarding our support for **L.D. 443, “An Act To Ensure Choices in Health Insurance Market.”**

L.D. 443 would amend the law governing clear choice plan designs to apply the requirement only to individual plans sold through the marketplace and remove the limitation of three alternative plans.

At the outset, I would like to express Anthem’s appreciation for the inclusive process that has been taken by the Bureau of Insurance with respect to both the merger of the market and the development of Clear Choice plan designs. Nonetheless, we continue to have concerns about moving forward with these proposals.

The development of Clear Choice plan designs will create significant disruption in the both the individual and small group markets, but it will be most pronounced in the small group market. This disruption will likely lead to significant consumer dissatisfaction.

Beginning January 1, 2022, members and small employers will no longer be able to purchase their current plan. In many instances, employers and consumers will be forced to move to a more expensive plan or drop to a lower metal level plan with reduced benefits. In addition, we would note that standardized plan designs do not lead to lower costs.

Our analysis indicates that approximately 89% of our non-CSR members in the individual market will receive a premium increase as the result of moving to a Clear Choice plan, with an average increase of 4%. In addition, we estimate that over 90% of our Small Group members will see a reduction in benefits in moving to a Clear Choice plan. The likelihood of disruption and

abrasion increases significantly if the individual and small group markets are merged at the same time the Clear Choice plan design requirements are implemented.

It is important to remember that individuals and small businesses have different health insurance needs and tend to purchase health insurance through different means. While individuals often purchase directly, small businesses are much more likely to use producers (agents) to assist with evaluating various options and selecting the plan best suited for a business and its employees.

In addition, we have significant concerns about whether at this late date, Clear Choice plan designs can be finalized in time for carriers to successfully implement them for 2022. At this point in time, we should be finalizing our 2022 plan offerings and beginning to develop our proposed rates for 2022, which are typically filed with the Bureau of Insurance in mid-June. At this point, we do not know what the final version of the Clear Choice plan designs will look like, nor do we have clear guidance on some of the rules applicable to those plans. We do not know whether the markets will be merged or not. And if the markets do merge, we do not know where the MGARA attachment points will be set. All of these factors, still outstanding and still unresolved, are critical to our ability to successfully implement L.D. 2007 for 2022.

Thank you for the opportunity to share these comments. I would be happy to answer any questions you may have.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kristine M. Ossenfort". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kristine M. Ossenfort, Esq.
Senior Director, Government Relations