



**Testimony of Hilary Schneider, Maine Director of Government Relations  
American Cancer Society Cancer Action Network**

**In Opposition to LD 443“An Act To Ensure Choices in Health Insurance Markets”**

February 25, 2021

Good morning, Senator Sanborn, Representative Tepler, and members of the Health Coverage, Insurance and Financial Services Committee. My name is Hilary Schneider and I am the Government Relations Director for Maine for the American Cancer Society Cancer Action Network (ACS CAN). ACS CAN, the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society, supports evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem. As the nation’s leading advocate for public policies that are helping to defeat cancer, ACS CAN ensures that cancer patients, survivors, and their families have a voice in public policy matters at all levels of government.

On behalf of ACS CAN, I would like to thank you for the opportunity to submit the following testimony in opposition to LD 443. This bill repeals parts of Public Law 2020, Chapter 653 (LD 2007), legislation that seeks to improve the affordability and understanding of coverage and out-of-pocket cost exposure for consumers who have private health coverage in the individual and small group markets. This law originated from a bill that was unanimously supported by this committee last session, was enacted by both bodies of the legislature “under the hammer,” and signed into law by the Governor in March 2020. Part of this law created what is being called “clear choice design” for a set of health plans sold in the individual and small group market. This provision requires the development of a set of plans to be offered that would generally have the same deductible, out-of-pocket limit, and copays for a set of commonly-used services. The goal of this provision is to make health insurance policies in the individual and small group markets easier to understand and easier to compare when shopping for coverage.

As a result of this law, the Bureau of Insurance convened a stakeholder group, which met throughout the summer and fall of 2020, to develop draft standardized benefit designs. ACS CAN was invited to participate in the stakeholder group, which met four times and concluded its work at its November 20, 2020 meeting. The Bureau of Insurance recently sent out a rulemaking notice to complete the task of establishing the set of health insurance plans which will be offered for sale, with effective dates of coverage on or after January 1, 2022. The public hearing for the rulemaking is scheduled for March 12 and the written comment period closes March 23.

As Superintendent Cioppa noted in his testimony on LD 2007, the clear choice designs are intended to “simplify deductibles, coinsurance, and copayments and allow consumers and small employers to make apples-to-apples comparisons between health plans.” ACS CAN supported the “clear choice benefit design” provisions as we see this as an opportunity to allow those who purchase coverage on their own and through small employers to focus on network, price, and plan quality rather than complicated cost-sharing variations when shopping for coverage.

For most consumers, navigating the health coverage and health care system can be daunting and frustrating. For cancer patients, in particular, the stress of their diagnosis and prognosis is compounded by the challenges

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they face navigating a system that is complex and confusing. Their cancer journey may involve appointments with multiple providers in multiple locations with different administrative and billing systems, involving multiple prescriptions and/or treatment regimens.

Clear Choice plan design provides Maine with the opportunity to reduce the confusion and stress consumers often experience by making coverage more predictable and easier to understand. It has been well documented that most consumers struggle with health insurance literacy, lacking a clear understanding of insurance terminology outside of the terms premium and appeal.<sup>1</sup> In addition, health insurance literacy is lower for racial and ethnic minorities, non-English speakers, and individuals who do not have a college education.<sup>2</sup>

During the stakeholder meetings convened by the Bureau of Insurance, some stakeholders advocated for more plan design alternatives. As stated in the September 30, 2020 comments submitted to the Bureau jointly by our organization and the Leukemia and Lymphoma Society, “we strongly object to the concept brought forward...that more plan design alternatives are needed within the Clear Choice design. The name “Clear Choice” implies, as we have said in previous comments, clarity and ease of understanding. We believe that allowing a large number of alternative plan designs would be confusing to the consumer and antithetical to the stated intent of the legislation. The literature shows that dozens of choices often lead to confusion and when faced with complex choices, consumers often use mental short cuts to simplify the choices.<sup>3</sup> In some cases, the choice becomes so daunting, the consumer chooses not to make a choice. In this case, that results in consumers going without coverage.”

The bill you are considering today removes the requirement of clear choice benefit designs for the small group market, limiting them only to the individual market. Challenges with health insurance literacy are not limited only to those who purchase health insurance in the individual market. Consumer confusion is widespread. Policy solutions that work to improve affordability and administrative simplicity of health coverage should be offered to as many Mainers as possible. As such, ACS CAN urges you to vote “ought not to pass” on LD 443.

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<sup>1</sup> Consumers Union, University of Maryland College Park and American Institutes for Research, Measuring Health Insurance Literacy: A Call to Action, February 2012, available at <https://www.air.org/sites/default/files/Health-Insurance-Literacy-Roundtable.pdf>; Paez K, Mallery C. “A Little Knowledge Is a Risky Thing: Wide Gap in What People Think They Know About Health Insurance and What They Actually Know.” American Institutes for Research, October 2014, available at [https://www.air.org/sites/default/files/Health%20Insurance%20Literacy%20brief\\_Oct%202014\\_amended.pdf](https://www.air.org/sites/default/files/Health%20Insurance%20Literacy%20brief_Oct%202014_amended.pdf).

<sup>2</sup> Villagra V, Bhuvra B, Coman E, Smith D, Fifield J, Health Insurance Literacy: Disparities by Race, Ethnicity, and Language Preference. Am J Manag Care. 2019;25(3):e71-e75. <https://www.ajmc.com/view/health-insurance-literacy-disparities-by-race-ethnicity-and-language-preference>

<sup>3</sup> Taylor, Erin Audrey, Katherine Grace Carman, Andrea Lopez, Ashley N. Muchow, Parisa Roshan, and Christine Eibner, Consumer Decisionmaking in the Health Care Marketplace. Santa Monica, CA: RAND Corporation, 2016. [https://www.rand.org/pubs/research\\_reports/RR1567.html](https://www.rand.org/pubs/research_reports/RR1567.html).