



Testimony before
the Joint Standing Committee on Health Coverage, Insurance & Financial Services

April 8, 2021

In Opposition to LD 1150, An Act To Eliminate Insurance Rating Based on Age, Geographic Location
or Smoking History and To Reduce Rate Variability Due to Group Size

As Maine's only nonprofit CO-OP health insurance company, we exist for the benefit of our members and our mission which is to provide affordable, high quality benefits that promote health and wellbeing. We support legislation that results in improved health outcomes for our Members while keeping the cost of coverage affordable.

We oppose LD 1150 because changing the rating bands will drive up the costs for younger consumers, non-smokers and those in southern Maine. As long as there is no requirement for everyone to have health coverage, adopting policies that increase the costs for those who are younger and healthier will have negative impacts on the insurance market.

Age, geography and smoking status are proven common markers of health care cost differentiation. Confining these factors to tighter bands than allowed by the Affordable Care Act will destabilize the market, drive up the rate of uninsured, and increase the premium costs for those who remain in the insurance market.

While we all work towards solutions to drive down the costs of coverage, the elimination of actuarially sound principles that reflect market dynamics would impose new challenges and drive up coverage costs. For this reason, we urge the Committee to vote ought not to pass on LD 1150.