STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF INSURANCE
34 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0034

Janet T. Mills
Governor

Eric A. Cioppa
Superintendent

TESTIMONY OF ERIC A. CIOPPA
SUPERINTENDENT OF INSURANCE
BUREAU OF INSURANCE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION

Neither For Nor Against L.D. 1196

"An Act Regarding Targets for Health Plan Investments in Primary Care and Behavioral Health"

Presented by Representative Samuel Zager

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

April 15, 2021 at 10 a.m.

Senator Sanborn, Representative Tepler, and members of the Committee, I am Superintendent of Insurance Eric Cioppa. I am here today to testify neither for nor against L.D. 1196. This bill would create targets for the percentage of spending by health plans that must be allocated to primary and behavioral health care, rather than hospital and specialty care. I will keep my comments to discussing the Bureau's role. I understand that Rep. Zager intends to make

changes to the bill, but as the Bureau has not seen amendments in writing, I will discuss the bill as written.

The bill requires all health insurance carriers, along with MaineCare and the Office of Employee Health and Wellness (EHW)—which runs the State Employee Health Plan (SEHP)— to report baseline percentages of claims spent on primary and behavioral health care to the Bureau by January 1, 2022, based on 2019 claims data. The Bureau would take that data to establish the median percentage of spend for primary and behavioral health services for purposes of setting spending targets for health plans offered in FY 2023. The median would then be adjusted annually, through FY 2026, based on data from the immediately preceding plan year.

If the carriers, EHW, or MaineCare spend less than or equal to the median determined by the Bureau, they must increase their percentage spent by at least 2% the following year, plus an additional increase described as "equal to the rate of increase in the medical CPI."[1] If they spend above the median, they must increase their percentage spent by at least 1% the following year, plus an additional increase based on the medical CPI. These targets are to be met without increasing spending on total health expenditures. For FY 2027 and thereafter, the carriers and these entities are to maintain, at a minimum, the same spending as required for FY 2026.

Starting with plan year 2023, the Superintendent may not approve any filed rates from health carriers that fail to meet these targets. A carrier may submit an action plan to meet these targets, and the Superintendent can provisionally approve the carrier's rates for one year based on an approved action plan.

[1] The bill does not specify how to convert an increase in the overall cost of care to an increase in the percentage share of spending.

We see several concerns specifically for the Bureau with the bill as written. First, the Bureau does not currently approve large group rates, as would be required by the bill. We are not aware of any other state that requires review of large group rates and are concerned that this requirement would make Maine an outlier. Second, year-end claims data is not finalized by the carriers until spring of the following year; we do not know when this data is finalized for MaineCare. As the bill is written, the Bureau would be required to calculate spending targets in the weeks before carriers file their next year's plans, and to assess compliance with those targets based on data for the plan year that is still in progress. Third, MHDO worked diligently over a year to determine which CPT codes should be included in determining primary care spend; we do not know if determining CPT codes to include in a behavioral health "bucket" would require the same diligence and time.

With that, I'd like to thank you. I will be glad to answer questions now or at the work session.