MAINE ASSOCIATION OF HEALTH PLANS

Testimony of Katherine Pelletreau
to the Joint Standing Committee on Health Coverage, Insurance and Financial Services

Neither For Nor Against

LD 1196 An Act Regarding Targets for Health Plan Investments in Primary Care and Behavioral Health

April 15th, 2021

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

My name is Katherine Pelletreau, and I am the Executive Director of the Maine Association of Health Plans (MeAHP). MeAHP has five members including Aetna, Anthem Blue Cross and Blue Shield, Cigna, Community Health Options and Harvard Pilgrim Health Care. Collectively, MeAHP's members provide or administer health insurance coverage to over 600,000 Maine people. The organization's mission is to improve the health of Maine people by promoting affordable, safe and coordinated healthcare.

This bill requires carriers to meet spending targets in primary and behavioral health care over a period of time.

While health plans are committed to primary and behavioral health care, this bill is problematic in several respects.

The primary care spending conversation is incomplete absent discussion of overall cost containment, quality and outcome measures, and a more fulsome understanding of non-claims-based payments.

Factors such as accrual of savings also need to be taken into account, especially since most primary care providers in Maine are employed by hospital systems. How can insurers and consumers be assured that savings accruing from expanded use of primary care will ultimately be passed back to purchasers?

Fundamental questions must be resolved before moving forward with a proposal like this:

- What is the appropriate definition of primary care[1]
- What primary care achieves better outcomes and how will they be measured?
- Should Maine be setting overall spending targets that all parties come together to establish?
- How can Maine better accelerate the move to risk-based contracting?
- How much is being spent by carriers on primary care outside of claims based FFS payments?

[1] MQF 2021 Annual Report on Primary Care Spending, pg. 6, Defining Primary Care.

- Should primary care spending include pharmacy costs or just medical?

States that have considered these types of targets usually set them in the context of overall spending caps or global cost growth targets. As discussed in the Maine Quality Forum's 2021 Annual Report on Primary Care Spending, research on the success of these approaches is inconclusive with even Rhode Island, an early adopter of expanded investments in primary care, being found by a recent study to have decreased total spending due to price control measures rather than increased investment in primary care.

Another caution about moving forward with a proposal like this is that primary care has experienced dramatic changes during COVID and the provision of it is likely to never be the same as pre-pandemic. The carriers have experienced greater than 1000% increases in telehealth services for example. Adaptations like this are underway and developing and their overall impact as yet unknown.

While we have seen the amendments proposed by the sponsor, we are not clear precisely what is intended. For example, the notion that cost containment would be delayed for four years – is the intention for medical costs to *rise* for four years because of additional investments in primary care? What kind of mechanisms would ensure that the money allocated to primary care would go where intended?

While we do not support the passage of this bill as currently constructed at this time, the continued centering of primary and behavioral health care is important and could be appropriately added to the charges for investigation by an Office of Affordable Healthcare as proposed by LD 120.

Thank you for your consideration of these comments.