



April 21, 2021

From: Joel Allumbaugh
President
The Allumbaugh Agency
Visiting Fellow
The Foundation for Government Accountability

RE: L.D. 751

To the Distinguished Members of the Joint Standing Committee on Health Coverage, Insurance & Financial Services:

I come before you today in support of L.D. 751, An Act To Allow Employers To Shop For Competitive Health Plan Options.

I would like to take this opportunity to introduce The Allumbaugh Agency. We are a full-service employee benefit agency specializing in the design and administration of employee benefit plans. Our customers are Maine small businesses and their employees. I am also a Visiting Fellow with the Foundation for Government Accountability, a non-partisan, non-profit organization that strives to improve health care policy in the states and Washington, D.C.

This bill aims to further provide options and increase affordability for employer health plans by amending the claims experience statute. It requires insurers to provide claims experience reports to employers whose rates are based upon the claims experience of their group. It expands an existing requirement to specify what reports insurers are required to provide. The reports required are consistent with the data requested by insurers and stop loss insurers when pricing competitive plans.

I ask you to consider a few key points. First and foremost, this bill simply requires insurers to provide to employers the information they request when providing quotes. Insurance companies will deny a request for quotes when they cannot get adequate reporting on claims experience, yet when they are the incumbent insurer, they refuse to provide the very data they require. This is a significant double standard that only hurts employers and their employees access to affordable health insurance. In addition:

Employers Need Competition to Lower Rates

Employers benefit when they can shop their health insurance plan among multiple insurers to find the best plan and rates for them and their employees. When they are unable to access the necessary information to seek quotes, they are powerless when rates increase. This hurts both the employer and their employees.

Employers have a Right to this Information

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Claims experience is data associated with the employer's health plan and is their data, not the insurance companies.

Reports do not Disclose Personal Health Information

All reports are de-identified and do not disclose names of any employees. Further, the bill allows for the reports to be sent directly from one insurer to another, bypassing the employer altogether, as an additional protection if needed to protect personal health information.

Minimalist Approach

This bill takes a very minimalist, targeted approach to only request the basic information that is commonly requested by insurance companies and stop loss insurers when seeking competitive health plan options.

Information Enables Plan Improvements

Employers routinely utilize claims data to inform plan improvements. For example, data indicating a high incidence of diabetes with gaps in care compliance could enable an employer to add diabetic support programs such as care management services and access to diabetic supplies and services at low or no cost to employees.

Thank you for your consideration. I urge you to improve access to lower cost health insurance coverage for employers and their employees and vote ought to pass on LD 751.

Respectfully Submitted,

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