



Janet T. Mills
Governor

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

Eric A. Cioppa
Superintendent

April 21, 2021

Senator Heather Sanborn, Chair
Representative Denise Tepler, Chair
Joint Standing Committee on Health Coverage, Insurance and Financial Services
100 State House Station
Augusta, ME 04333-0100

RE: L.D. 751, An Act To Allow Employers To Shop for Competitive Health Plan Options

Dear Senator Sanborn, Representative Tepler, and Members of the Committee:

The Bureau of Insurance takes no position on L.D. 751. The purpose of this letter is to provide you with information related to the bill, as amended by the sponsor.

The amended bill would set minimum requirements for the loss information on a group policy that an insurer must provide to its policyholder or former policyholder upon request:

- at least 24 months of claims data, or the period the policyholder was insured if less than that;
- the loss ratio by month with medical and pharmacy claims identified individually;
- high cost claimant reports coinciding with the timeframes of any loss ratio reports, which must include enrollment status, primary diagnosis, and sufficient data regarding prognosis to estimate anticipated claim cost for the 12-month coverage period immediately following the request; and
- a statement describing precertification requests for hospital stays of 5 days or more made during the 30-day period preceding the date of the request.

The amended bill would also expand the provisions on transmittal of these requests. It would allow insurers receiving a request to transmit high cost claimant data directly to another insurer or underwriter, or to a contractor or producer that has a signed business associate agreement with the insurer, in order to secure quotes, develop actuarial reports, facilitate claim management, or other activities related to quoting or management. It also would require policyholders receiving any high cost claimant reports to take all precautions and actions required under federal regulations with respect to the privacy and security of the protected health information of the high cost claimants.



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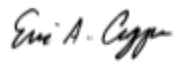
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The requirement to provide specific information regarding high cost claimants and the associated transmittal provisions may raise privacy concerns that the Committee may wish to consider.

Finally, the amended bill would eliminate and replace the current exception from providing loss information for groups eligible for small group coverage under section 2808-B of the Insurance Code. One new exception would be for a group that is currently rated as a small group that will be renewed with small group coverage. The other would be if the insurer is otherwise prohibited from disclosing that information under state or federal law. The existing exception for small groups eligible for small group coverage under section 2808-B is because this coverage is community rated and not experience rated like large groups.

I hope this information is useful to the Committee. Please let me know if I can provide any further assistance.

Sincerely,



Eric Cioppa
Superintendent