

## Testimony of The Leukemia & Lymphoma Society

### In favor of **LD 1463** “An Act To Make Health Care Coverage More Affordable for Working Families and Small Businesses”

May 5<sup>th</sup>, 2021

The Leukemia & Lymphoma Society (LLS) is pleased to submit the following testimony to the Joint Standing Committee on Health Coverage, Insurance, and Financial Services in favor of LD 1463 “An Act To Make Health Care Coverage More Affordable for Working Families and Small Businesses”. We wish to thank Representative Tepler and the cosponsors of this legislation for introducing the bill.

At LLS, our mission is to cure leukemia, lymphoma, Hodgkin’s disease and myeloma, and improve the quality of life of patients and their families. LLS exists to find cures and ensure access to treatments for blood cancer patients.

To access the care they need, cancer patients must have access to meaningful health insurance coverage. A 2018 study commissioned by LLS found that blood cancers on average cost more to treat than many other types of cancers. The study showed, for example, that in the month following diagnosis, the average cost of care for acute leukemia patients was nearly \$120,000 and that for several years following diagnosis, a high cost burden remains.<sup>i</sup> Without health insurance coverage, the cost of care would be far too great for most blood cancer patients to afford.

The Affordable Care Act (ACA) has had enormous success in using advanced premium tax credits (APTC) to lower premium costs to make insurance more affordable for individuals to purchase for themselves and their families. In Maine, for instance, during the most recent open enrollment period, the average enrollee who was eligible for and received APTC paid only \$120 a month in premiums for their coverage.<sup>ii</sup> The recent expansion of APTC in the American Rescue Plan (ARP) will lower that average premium even further while also, for the first time, extending subsidy eligibility to individuals with incomes above 400% of the Federal Poverty Limit (FPL).<sup>iii</sup>

Individuals who are subject to the so-called “family glitch”, however, have no financial assistance available to help them lower their coverage costs. Due to Internal Revenue Service (IRS) interpretations of certain provisions of the ACA, people caught in the family glitch are ineligible for APTCs as a result of their eligibility to be added to employer-sponsored coverage available through spouses or other family members – even if the cost to extend that coverage beyond the employed individual would otherwise be considered “unaffordable” by the ACA’s guidelines for premium affordability.<sup>iv</sup> This means thousands of individuals in Maine may have no affordable coverage option available to them – through no fault of their own.

As a result of decisions by the federal government to discontinue a longstanding carrier fee, Maine has the opportunity to redirect an existing source of revenue to provide support to these individuals. This is

not a new assessment: this is simply the State making sure that what was formerly a federal revenue stream can now be used to ensure that people in Maine who find themselves caught in the family glitch are, instead, able to access the coverage they need to keep themselves and their families healthy. As access to coverage is a crucial component in safeguarding one's health and wellbeing, we support the redirection of this existing fee to help close the affordability gap created by the family glitch in Maine.

Additionally, this bill would allow the State to use the redirected revenue to explore and implement other measures to improve affordability of insurance coverage for individuals and small businesses in the State. We would recommend, for instance, that the State consider measures that will decrease consumers' out-of-pocket costs, such as coinsurances and deductibles, which are often also burdensome.

We therefore support LD 1463 and respectfully urge its passage.

With questions, please contact Steve Butterfield, Regional Director of Government Affairs, at 207-213-7254 or [steve.butterfield@lls.org](mailto:steve.butterfield@lls.org).

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<sup>i</sup> Milliman, Inc. (October 2018). *The Cost Burden of Blood Cancer Care*. Washington, D.C.

<https://www.lls.org/sites/default/files/Milliman%20study%20cost%20burden%20of%20blood%20cancer%20care.pdf>

<sup>ii</sup> Kaiser Family Foundation. *Marketplace Average Premiums and Average Advanced Premium Tax Credit (APTC)*.

<https://www.kff.org/health-reform/state-indicator/marketplace-average-premiums-and-average-advanced-premium-tax-credit-aptc/>

<sup>iii</sup> Pollitz, Karen P. Kaiser Family Foundation (March 2021). *How the American Rescue Plan Will Improve Affordability of Private Health Coverage*. <https://www.kff.org/health-reform/issue-brief/how-the-american-rescue-plan-will-improve-affordability-of-private-health-coverage/>

<sup>iv</sup> Goe, Christina L. and Palanker, D. The Commonwealth Fund. (April 2021). *ACA "Family Glitch" Increases Health Care Costs for Millions of Low- and Middle-Income Families*. <https://www.commonwealthfund.org/blog/2021/aca-family-glitch-increases-health-care-costs-millions-low-and-middle-income-families>