



**Testimony in Opposition to**

**LD 1463, An Act To Make Health Care Coverage More Affordable for  
Working Families and Small Businesses**

**Presented by Kim Cook**

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Community Health Options is Maine's only nonprofit CO-OP health insurance company. Health Options exists for the benefit of our members and our mission which is to provide affordable, high quality benefits that promote health and wellbeing.

The key policy issue that is at the heart of LD 1463, the so-called "family glitch", is a significant problem rooted in federal policy. While we understand the motivation to work to address this affordability issue for those affected within the State of Maine, the approach taken by LD 1463 would itself have unintended consequences and introduce new affordability challenges of its own.

When the HIP fee was lifted on a national basis recently, we passed on this reduction in costs dollar for dollar in our rate setting for consumers. Conversely, should Maine reintroduce the tax on all covered entity's net written premiums, this will necessarily add to premium costs across the board. Despite Maine's recent success in reducing premiums in the individual market, largely due to the beneficial effects of MGARA, small group rates have been pressured by market contraction and corresponding rising risk acuity. Increasing costs for coverage will only contribute to more abandonment of the fully insured market which in turn pushes up rates further still. And increasing costs for businesses in Maine will be an unwanted brake on recovery precisely at a crucial time in our collective efforts to regain our economic footing.

We agree that barriers to accessing affordable health insurance coverage should be identified and convening a group like the Affordable Health Care Advisory Group could be a means of doing that, provided that the Affordable Health Care Advisory Group was decoupled from the rest of the bill.

While we share the frustration with the vexing nature of the "family glitch," trying to solve this at a state level and with a broad tax on premiums is the wrong way to address the problem and works in polar opposition to the Governor's efforts to lower premiums for small businesses in Maine.

For these reasons, we ask that you oppose LD 1463.