HEALTHCARE PURCHASER ALLIANCE OF MAINE

January 10, 2022

Senator Heather Sanborn, Co-Chair
Representative Denise Tepler, Co-Chair
Committee on Health Coverage, Insurance and Financial Services
C/o Legislative Information Office
100 State House Station
Augusta, ME 04333

Dear Senator Sanborn, Representative Tepler, and Members of the Committee on Health Coverage, Insurance and Financial Services,

I am writing to share with you some feedback from the Healthcare Purchaser Alliance (HPA) of Maine regarding two bills which the committee will consider on January 10: ***LD 1783, An Act To Require Health Insurance Carriers and Pharmacy Benefits Managers To Appropriately Account for Cost-sharing Amounts Paid on Behalf of Insureds*** and ***LD 1822, An Act To Improve Access to Behavioral Health Services by Prohibiting Cost Sharing by Insurers.***

The HPA is a purchaser-led organization whose mission is to advance healthcare value in Maine and support and incentivize the use of high-quality, affordable care. We have over 50 members, including some of the largest public and private employers and health trusts in Maine. Collectively, our members spend over $1 billion annually purchasing health coverage for nearly a quarter of the commercially insured people in the state.

LD 1783

The HPA has worked extensively to lower prescription drug costs and improve affordability in Maine, including partnering with a transparent pass-through PBM that has significantly lowered costs for Maine employers and their employees. And while we support efforts to further improve prescription drug affordability, we are concerned about how LD 1783 would affect employer costs and equity among plan members.

While LD 1783 may lower costs for some patients with high-cost drug prescriptions, those costs do not disappear; they are simply shifted to employers—who are already struggling to provide affordable health coverage to their employees. Under LD 1783, patients would be able to credit the value of drug coupons towards their deductibles and out-of-pocket (OOP) maximums, compared to current law, where plans can exclude such coupons from deductible and OOP calculations. Cost sharing that a patient no longer has to pay after hitting their deductible and OOP maximum are borne by the patient's employer, and when a patient hits those thresholds earlier because of coupons ***that he/she received free of charge***, the employer's portion of that patient's costs rises. Employers will have to absorb these additional costs somehow, whether through higher employee premium contributions, less generous plans, higher deductibles or additional cost sharing for employees and their families, or other cost-saving strategies.

Many Mainers struggle with high healthcare expenses, including expenses unrelated to high-cost prescription drugs. Coupon programs already help patients with expensive prescriptions by covering all or a significant portion of their prescription costs—a benefit not available to other patients who must pay their portion of their healthcare expenses out of their own pocket. LD 1783 would expand that coupon benefit at the expense of the plan and all the other patients who will be affected by the policies that will be necessary to cover the additional costs to the plan.

We appreciate that LD 1783 would not apply to prescriptions for which generic drugs are available. However, even when a generic alternative is not available, there are often less expensive brand drugs available which would cost the

plan considerably less than the couponed brand drug. If this legislation advances, we suggest that it also exempt prescriptions when brand alternatives that are less expensive to the plan are available.

I also serve on the Maine Prescription Drug Affordability Board, a multistakeholder group created by the Legislature to recommend strategies for improving prescription drug affordability. The Board will submit a report to the Legislature later this month and the HPA believes that additional strategies around drug affordability—including LD 1783—should be considered in conjunction with the Board's recommendations to the Legislature.

LD 1822

As Maine continues to grapple with the COVID pandemic and the opioid crisis, the HPA and its members are acutely aware of the need for accessible and affordable behavioral health services and are working to improve access, including through increased use of virtual behavioral health services. We share the bill sponsor's goal of increasing affordable access, but we believe that LD 1822 would substantially increase total healthcare costs for employers and their employees. Nor would it address one of the major barriers to access.

If patients are no longer required to pay copays or coinsurance for behavioral health services, their employers will have to cover those costs instead, substantially increasing their plan's total healthcare costs. Moreover, if patients no longer face copays or coinsurance, some may increase the number of services they utilize, further increasing employer costs and straining an already overloaded network of mental health providers. Employers are already struggling to provide health benefits to their employees. If LD 1822 is enacted, their costs would rise substantially, and many employers would be forced to make difficult decisions that would make care less affordable for all their employees and dependents, such as raising employee premium contributions, increasing cost sharing for non-behavioral health services, raising deductibles, or offering less generous plans.

Parity for behavioral health and other health services is an essential cornerstone of our healthcare system. But LD 1822 goes well beyond parity, attempting to make behavioral health services more accessible to patients than other, equally essential services. Is it fair for a diabetic to have a copay to visit their doctor while someone with a behavioral health disorder faces no copay? Or a patient with a spinal injury who needs physical therapy? Not only will these patients still face cost sharing, their overall healthcare costs will likely increase due to the additional costs this LD would impose on employers.

Finally, while affordability can be a barrier to behavioral health services—along with many other medical services—a shortage of behavioral health providers is another significant barrier, which LD 1822 does not address. Many employers are trying to deal with this shortage by offering virtual behavioral health services, which are often more readily available and can also be less costly to the patient than in-person services. The HPA and our members will continue to pursue this and other strategies to improve access to affordable behavioral health. Unfortunately, we believe the solution proposed in LD 1822 would substantially increase healthcare costs for Maine businesses and not address one of the main sources of the state's behavioral health accessibility challenges.

Thank you for the opportunity to share our feedback, and for your consideration. Please let me know if you have any questions or if I can be of further assistance. I can be reached at phayes@purchaseralliance.org or 844-8106.

Best,

Peter Hayes
President and CEO