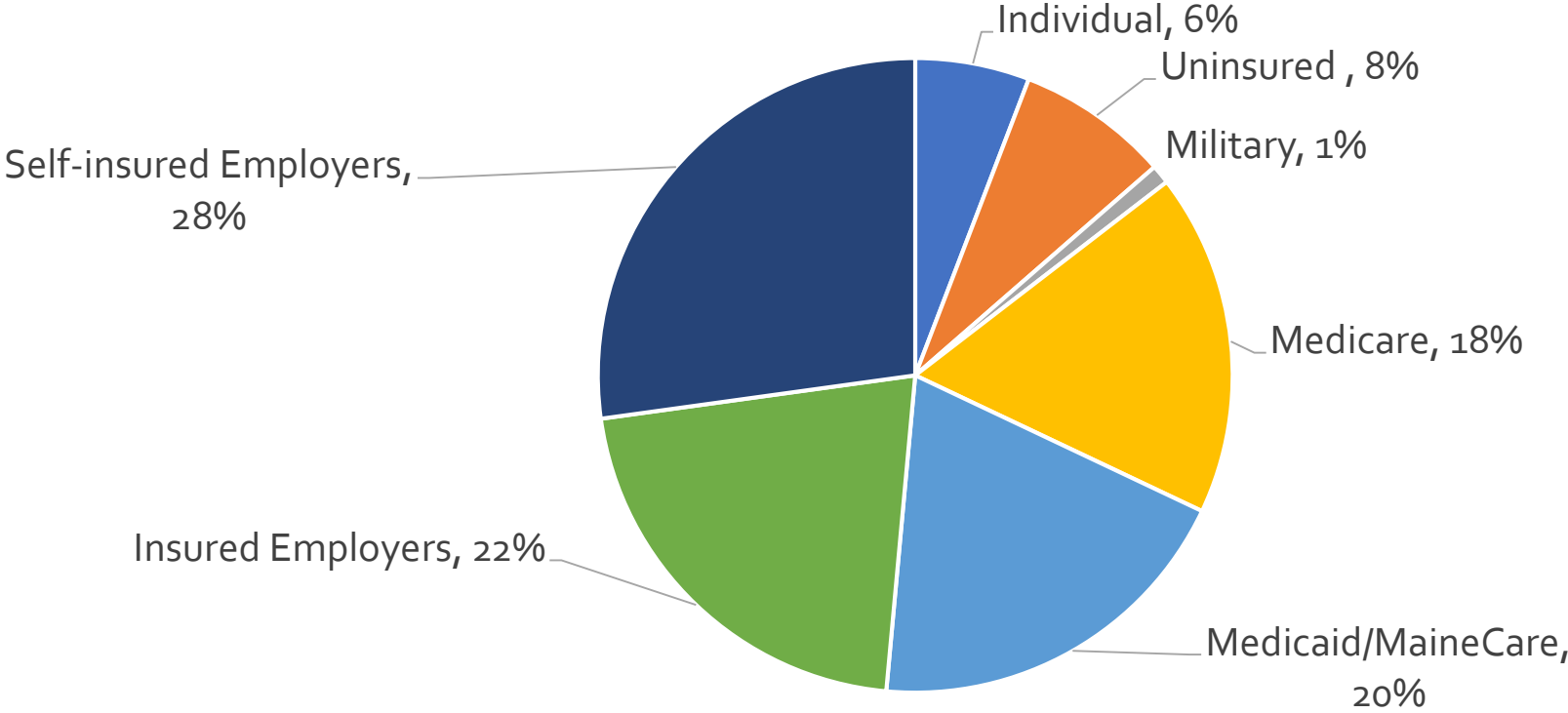


JOINT STANDING COMMITTEE ON
HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

HEALTH CARE COVERAGE IN MAINE AND THE COMMITTEE'S OVERSIGHT ROLE

JANUARY 19, 2021
ORIENTATION MEETING

Health Care Coverage by Percentage of Population in 2019

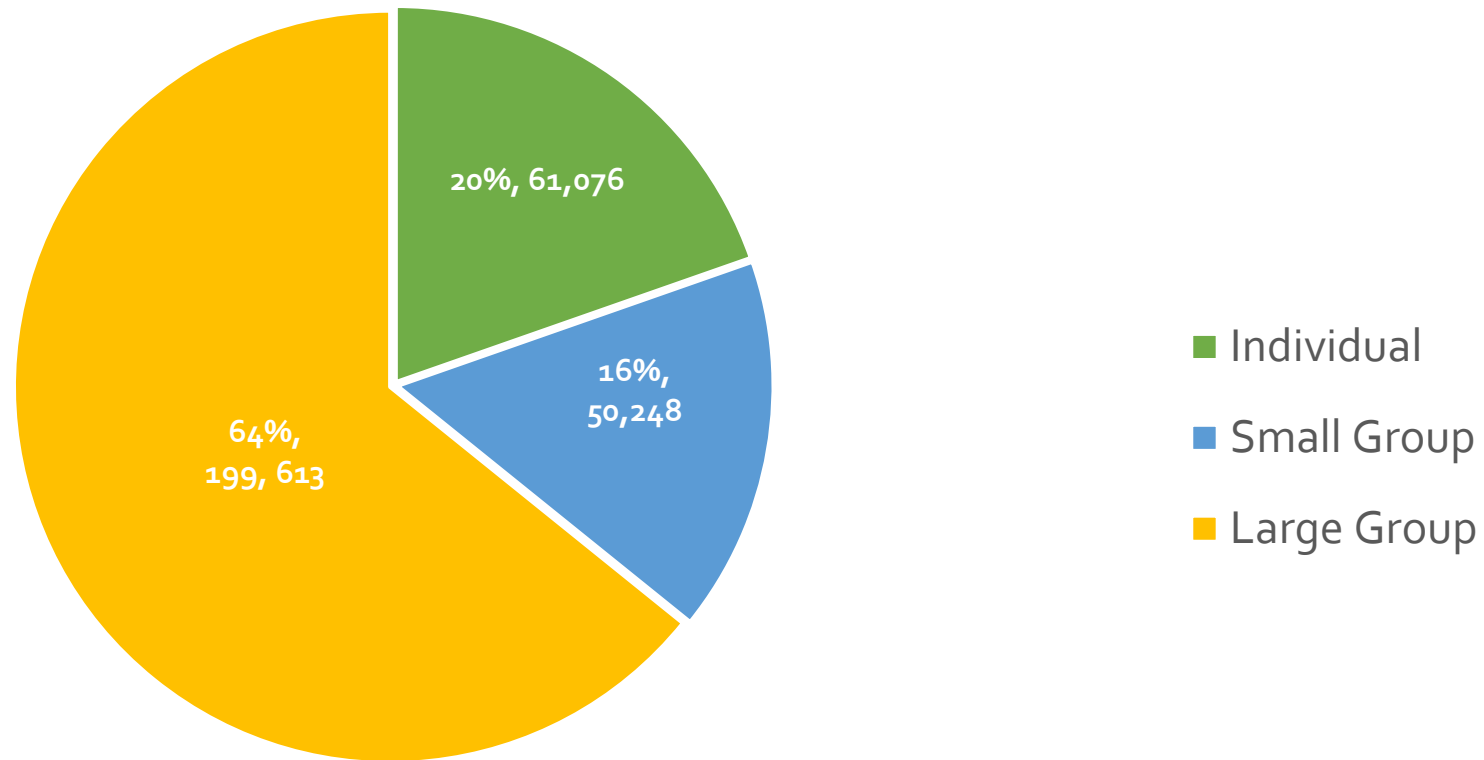


Source: Maine Bureau of Insurance and Kaiser Family Foundation

Health Insurance Regulation and Oversight

- Ability to regulate under state law determined by type of coverage
- Medicare and military programs regulated by federal law and rule
- Medicaid (Mainecare) programs regulated by combination of federal and state oversight
- Self-insured employers plans regulated by federal law and rule (state law is preempted by federal law known as ERISA, Employee Retirement Income Security Act)
- Individual and employer-based group health insurance policies regulated by state law and rule

HEALTH INSURANCE COVERAGE ENROLLMENT IN 2019



Source: Maine Bureau of Insurance

Health Insurance Regulation and Oversight

- Laws found in Title 24 and Title 24-A
- Bureau of Insurance administers and enforces these laws
- Provisions of the federal Affordable Care Act also apply and many have been codified into state law

Individual Health Plans

- Carriers offering individual health plans in 2021
 - Anthem
 - Maine Community Health Options
 - Harvard Pilgrim Health Care
- Open enrollment for individual health plans
- Special enrollment periods are available if an individual loses coverage due to particular circumstance
- Premium subsidies through the federal Affordable Care Act are available for individual plans purchased through the marketplace or exchange ([healthcare.gov](https://www.healthcare.gov))

Small Group Health Plans

- Small group defined in law: 50 or fewer eligible employees
- Carriers offering small group health plans in 2021
 - Anthem
 - Maine Community Health Options
 - Harvard Pilgrim Health Care
 - Aetna Life/Health
 - United Healthcare
- Premium subsidies through the federal Affordable Care Act are not available to those covered under small group health plans

Individual and Small Group Health Plans

- Rates may not be “excessive, inadequate or unfairly discriminatory”
- Filed and approved by the Bureau of Insurance
- Carriers determine a “community rate” ---premium rate charged to all eligible for coverage
- Rates may not vary on the basis of gender, health status, occupation or industry, claims experience or policy duration
- Carriers are permitted to adjust the “community rate” on the basis of age, geographic area and tobacco use
- Maximum rate differential on basis of age is 3 to 1
- Maximum rate differential on basis of geographic area is 1.5 to 1 (4 areas permitted state-wide)
- Maximum rate differential on basis of tobacco use is 1.5 to 1

Individual and Small Group Health Plans

Health plan designs are standardized and determined by metal level with varying deductibles, out-of-pocket maximums and networks

Metal Level	Actuarial Value: Estimated % of total costs your carrier will pay for covered services	Expected Cost Share: The amount of covered services you will have to pay
Gold	80%	20%, up to maximum out-of-pocket level
Silver	70%	30%, up to maximum out-of-pocket level
Bronze	60%	40%, up to maximum out-of-pocket level
Catastrophic (individual health plans only)	n/a	100%, up to maximum out-of-pocket level

Individual and Small Group Health Plans

- Federal Affordable Care Act requires that these **Essential Health Benefits** must be included in individual and small group health plans:
 - Ambulatory Patient Services
 - Emergency Services
 - Hospitalization
 - Laboratory Services
 - Maternity and Newborn Care
 - Mental Health & Substance Use Disorder Services
 - Pediatric Services, Including Dental and Vision
 - Prescription Drugs
 - Preventive, Wellness Services, and Chronic Disease Management
 - Rehabilitative and Habilitative Services and Devices
- State law also mandates certain benefits that must be included in individual and group plans

Maine Guaranteed Access Reinsurance Association (MGARA)

- Provides reinsurance for individual health plans to stabilize and reduce premiums
- Federal waiver granted in 2019 to provide additional federal funding
- Funded by assessment on all major medical plans, premiums paid by carriers for policies “ceded” to MGARA for reinsurance and federal pass-through funding through ACA waiver (estimated total funding in 2021 is \$89 million)
- For high-cost individuals “ceded” to MGARA, MGARA pays:
 - 90% of claims between \$65,000 to \$95,000
 - 100% of claims above \$95,000 up to \$1 million, then pays 40% of claims over \$1 million

Made in Maine Health Coverage Act (LD 2007, PL 2019, c. 653)

- Considered by HCIFS Committee and enacted during 129th Legislature
- Major components:
 - Authorized the transition to a state-based marketplace (using healthcare.gov platform)
 - Authorized pooled market for individual and small group health insurance markets, subject to actuarial review and study of impact and approval of ACA waiver
 - Required development of clear choice design plans in individual and small group markets to further standardize choices for consumers
 - Authorized MGARA to provide reinsurance for small group health plans in pooled market, subject to approval of ACA waiver
- More discussion during upcoming session