



via electronic submission

August 25, 2020

Marti Hooper
Actuary
Maine Bureau of Insurance
#34 State House Station
Augusta, ME 04333-0034

Re: Clear Choice Stakeholder Group Comments in Follow-up to Aug 12 Meeting

Dear Ms. Hooper:

The American Cancer Society Cancer Action Network (ACS CAN) appreciates the opportunity to provide comments in follow-up to the August 12 meeting of the Clear Choice Stakeholder Group. ACS CAN, the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society, supports evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem. As the nation's leading advocate for public policies that are helping to defeat cancer, ACS CAN ensures that cancer patients, survivors, and their families have a voice in public policy matters at all levels of government.

While ACS CAN believes it is important to look at the experience of other states when developing the clear choice benefit design, we encourage the Bureau to develop a proposal that works best for Maine and helps move Maine toward achieving the goals set out in LD 2007, as presented by Commissioner Lambrew, Superintendent Cioppa, Senate President Jackson, House Speaker Gideon and supported by numerous patient advocates like ACS CAN. These goals are to make health care coverage more accessible, more affordable and better designed to meet the needs of all Mainers. As Superintendent Cioppa noted in his testimony on the bill, the clear choice designs are intended to "simplify deductibles, coinsurance, and copayments and allow consumers and small employers to make apples-to-apples comparisons between health plans." It is the hope of our organization that these clear choice designs allow consumers to focus on network, price, and plan quality rather than complicated cost-sharing variations when shopping for coverage.

A study conducted by the American Cancer Society showed that people who are uninsured or underinsured are more likely to be diagnosed with cancer at its more advanced stages when treatment is more expensive and patients are more likely to die from the disease.ⁱ While COVID-19 was not on the radar as LD 2007 was being developed, it is important to note that COVID-19 has shone a spotlight on the significant barriers to affordable health care that cancer patients have long faced.ⁱⁱ COVID-19 has not only placed significant financial stress on many

cancer patients, it has also increased the overall stress associated with a cancer diagnosis. As such, making health insurance coverage easier to understand and more predictable in terms of what is covered and the associated expected out-of-pocket costs will reduce the overall stress someone faces when navigating a cancer diagnosis and treatment.

Numerous studies have documented the myriad of problems associated with consumers' confusion with their health coverage and cost-sharing structures that are unpredictable or unaffordable.ⁱⁱⁱ

The negative impacts include:

- High levels of cost-sharing are associated with reductions in unnecessary/low-value *and* necessary/high-value care.
- Consumer confusion can result in purchasing plans that may not be optimal for the consumer – e.g., those who can afford a higher premium and low deductible plan often purchase that plan even though they can likely afford a higher deductible, lower premium plan; some consumers are attracted to lower premium plans even though their health care needs may result in out-of-pocket costs that are higher overall than would be under a higher premium plan due to the differences in cost-sharing provisions in the plan. These scenarios are especially true in the absence of decision-making tools.
- High levels of cost-sharing lead to increased health disparities as they may have disproportionate impacts on patients with lower incomes and health conditions, whose utilization is most likely to be impacted when cost-sharing is increased.

We offer the below principles as a decision-making guide for how to design benefits to ensure that those with chronic or life-threatening conditions like cancer have affordable, quality options to choose from.

1. *Guarantee that patients have transparent and predictable out-of-pocket costs*

Co-insurance instead of flat-fee copayments can make it challenging for patients to understand how much they will have to pay for medical services and prescription drugs and also present challenges in affording necessary health care services. Coinsurance makes it especially challenging when patients are shopping for coverage and trying to compare anticipated annual out-of-pocket costs since it is nearly impossible for a patient to determine the negotiated rate to which the coinsurance percentage is applied. Moreover, numerous studies have shown that many consumers do not understand what the term coinsurance means or how coinsurance structures work in practice.^{iv}

Copays offer greater certainty to patients who require health care services and prescription drugs as consumers will know precisely what the health care services and medications will cost to them. This allows consumers to plan financially for the care they'll need over the course of the year. For these reasons, we recommend that the standardized plans utilize copays instead of coinsurance.

2. Ensure that the out-of-pocket cost for any one prescription is manageable

As you know, coinsurance for prescription drugs has become common in Maine plans, especially for specialty medications that are critical to the treatment of life-threatening conditions. Coinsurance for specialty medications, especially levels of 30% or higher, can translate to thousands of dollars in out-of-pocket costs for patients. When cost-sharing becomes a barrier to access, patients do not use their medications appropriately, skipping doses in order to save money or abandoning a treatment altogether.

While copays typically offer more reasonable cost-sharing instead of a coinsurance, we recommend that consumers have more affordable cost-sharing in all metal tiers for prescription drugs. We recommend using a copay structure like DC, especially for specialty tier drugs. If coinsurance is used, we recommend capping out-of-pocket costs for a single specialty tier script as is done in DC. Evidence shows that adherence to medication diminishes as cost-sharing increases. In a survey done of people with employer sponsored insurance, approximately half of respondents reported skipping or postponing care or prescription drugs due to cost.^v

3. Eliminate the shock of a high, upfront deductibles

The challenges of high coinsurance are worsened by the growing prevalence of high deductibles.

Massachusetts' structure is an example of utilizing reasonable copays in the pharmacy benefit that are applied pre-deductible. We support benefit design options at all metal level tiers that would include pre-deductible cost-sharing in the pharmacy benefit. A recent survey showed that consumers' top affordability challenge was paying medical bills prior to meeting their plan deductible.^{vi}

Other States to Consider

We recommend that you review the efforts of Washington state on standardized benefits. The 2021 standard benefit plans for Washington can be found here:

https://www.wahbexchange.org/wp-content/uploads/2020/04/2021-Standard-Plans-April-2020_UPD.pdf. Numerous materials from the workgroup that helped develop the plans, including the reports of the independent actuarial firm hired by the insurance department, can be found online: <https://www.wahbexchange.org/about-the-exchange/cascade-care-2021-implementation/>

Other Recommendations

We recommend that the Bureau designate only one plan per metal level, rather than also offering a secondary option. Designating a single plan will be clearer to stakeholders and consumers as well as better meet the intent of the authorizing legislation.

We recommend that the Bureau work with patient and consumer groups to recruit a focus group of patients and consumers to review the draft standardized plans and share their understanding. This could be done remotely using the technology the Bureau is using for the stakeholder meetings. Patient and consumer groups could assist the Bureau in developing

questions for the focus group. The format could be similar to that used by the consultants hired on behalf of the consumer representatives of the National Association of Insurance Commissioners when looking at consumer understanding of short-term health plans. While this study was specific to short-term health plans, it included testing consumer understanding of basic insurance design – e.g., understanding of what the plan did and did not cover and understanding of cost-sharing terminology.^{vii} This would allow the Bureau to determine if the standardized benefit design is meeting the goals of improved understanding and ability to compare plans on an apples-to-apples basis.

Similarly, we would welcome the opportunity to work with the Bureau on developing template decision-making tools to be used alongside the standardized benefit plans that would assist patients and consumers in understanding key health insurance terminology and to assist them in choosing the plan that best meets their health care needs.

Conclusion

On behalf of the American Cancer Society Cancer Action Network, we thank you for the opportunity to provide comments and input as the Bureau of Insurance develops a draft plan for the Clear Choice benefit design. If you have any questions, please feel free to contact me at hilary.schneider@cancer.org or 207-373-3707.

Sincerely,



Hilary Schneider
Government Relations Director
American Cancer Society Cancer Action Network Maine

ⁱ Ward E. Association of Insurance with Cancer Care Utilization and Outcomes. *CA: A Cancer Journal for Clinicians*. 2008; 58(1).

ⁱⁱ See <https://www.fightcancer.org/policy-resources/covid-19-pandemic-early-effects-cancer-patients-and-survivors-april-2020> and <https://www.fightcancer.org/policy-resources/covid-19-pandemic-ongoing-impact-cancer-community-may-2020> for more details.

ⁱⁱⁱ For example, see: Kane, Ben, “Spring 2019 Journal: The Case for Standardization in Health Insurance Marketplaces,” *Berkeley Public Policy Journal*, March 7, 2019, [https://bppj.berkeley.edu/2019/03/07/the-case-for-standardization-in-health-insurance-marketplaces/#:~:text=Federal%20and%20State%20Activity%20toward%20Standardization&text=Comparing%20the%20market%20before%20and,also%20benefit%20from%20the%20change.](https://bppj.berkeley.edu/2019/03/07/the-case-for-standardization-in-health-insurance-marketplaces/#:~:text=Federal%20and%20State%20Activity%20toward%20Standardization&text=Comparing%20the%20market%20before%20and,also%20benefit%20from%20the%20change.;); Quincy, Lynn, “What’s Behind the Door: Consumers’ Difficulties Selecting Health Plans,” Consumers Union Health Policy Brief, January 2012, https://advocacy.consumerreports.org/wp-content/uploads/2013/03/Consumer_Difficulties_Selecting_Health_Plans_Jan2012.pdf

^{iv} Letter from NAIC Consumer Representatives, presented at April 2019 NAIC meeting, “New Consumer Testing Shows Limited Consumer Understanding of Short-Term Plans and Need for Continued State and NAIC Action,” https://healthyfuturega.org/wp-content/uploads/2019/04/Consumer-Testing-Report_NAIC-Consumer-Reps.pdf; Loewenstein, George, et al., “Consumers Misunderstanding of Health Insurance,” *Journal of Health Economics*, Volume 32, Issue 5, September 2013, pp. 850-862, <https://www.sciencedirect.com/science/article/abs/pii/S0167629613000532?via%3Dihub>; Radius Global Market Research, “Health Insurance Literacy Survey,” October 17, 2016, Prepared for Policygenius, <https://www.policygenius.com/health-insurance/health-insurance-literacy-survey/>; Quincy, Lynn, “What’s Behind the Door: Consumers’ Difficulties Selecting Health Plans,” Consumers Union Health Policy Brief, January 2012, https://advocacy.consumerreports.org/wp-content/uploads/2013/03/Consumer_Difficulties_Selecting_Health_Plans_Jan2012.pdf

^v Hamel, L., Munana, C. & Brodie, M. (May 2, 2019). Kaiser Family Foundation/LA Times Survey Of Adults With Employer-Sponsored Insurance. *Kaiser Family Foundation*. Retrieved from: <https://www.kff.org/report-section/kaiser-family-foundation-la-times-survey-of-adults-with-employer-sponsored-insurance-section-2-affordability-of-health-care-and-insurance/>

^{vi} Hamel, L., Munana, C. & Brodie, M. (May 2, 2019). Kaiser Family Foundation/LA Times Survey Of Adults With Employer-Sponsored Insurance. *Kaiser Family Foundation*. Retrieved from: <https://www.kff.org/report-section/kaiser-family-foundation-la-times-survey-of-adults-with-employer-sponsored-insurance-section-2-affordability-of-health-care-and-insurance/>

^{vii} See Kleiman Communication Group, *Report on Testing Consumer Understanding of a Short-Term Health Insurance Plan*, March 15, 2019, found at: https://healthyfuturega.org/wp-content/uploads/2019/04/Consumer-Testing-Report_NAIC-Consumer-Reps.pdf, accessed on August 21, 2020.