



via electronic submission

September 30, 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 Plan Design Draft

Dear Ms. Hooper:

The American Cancer Society Cancer Action Network (ACS CAN) and The Leukemia & Lymphoma Society (LLS) appreciate the opportunity to provide comments on the plan design drafts developed by the Bureau of Insurance as part of the Clear Choice Stakeholder Group process. 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. LLS' mission is to find cures for leukemia, lymphoma, Hodgkin's disease, and myeloma, and to ensure that blood cancer patients have sustainable access to quality, affordable, coordinated healthcare. As the world's largest nonprofit focused on blood cancers, LLS represents the nearly 1.4 million blood cancer patients and survivors across the United States, including more than 7,400 Mainers who are in remission from or currently living with a blood cancer diagnosis.

ACS CAN and LLS supported the Clear Choice enabling legislation, in part, because we felt that the creation of standard plan designs presented a significant opportunity. We saw a chance for Maine to create plans that offered a meaningful improvement for consumers shopping for health coverage in the state. We offer the following comments to ensure the Clear Choice Plan Design meets this opportunity.

Clear Choice Plans Should be Transparent and Easy to Compare

For most consumers, navigating the health coverage and health care system can be daunting and frustrating. For cancer patients, in particular, the stress of their diagnosis and prognosis is compounded by the challenges they face navigating a system that is complex and confusing. Their cancer journey may involve appointments with multiple providers in multiple locations with different administrative and billing systems, involving multiple prescriptions and/or treatment regimens.

Clear Choice plan design provides Maine with the opportunity to reduce the confusion and stress consumers often experience by making coverage more predictable and easier to understand. As we stated in our previous comments, it has been well documented that most consumers struggle with health insurance literacy, lacking a clear understanding of insurance terminology outside of the terms premium and appeal.¹ In addition, health insurance literacy is lower for racial and ethnic minorities, non-English speakers, and individuals who do not have a college education.² While a Summary of Benefits document may provide consumers with some basic information, cancer patients and survivors often need more detailed information related to cost-sharing and coverage that can only be found in other plan documents and/or may necessitate the patient calling their insurance provider.

Clear Choice Plans Should Offer Affordable Cost-Sharing

While we support the standardization of the plan designs, we believe the proposed Clear Choice plan designs can be improved to provide a better experience for the consumer. For instance, the plans as proposed miss the opportunity to embrace a copay-only structure for prescription coverage. In previous comments, we cited³ numerous⁴ examples of the tremendous burden placed on patients by unmanageably high cost sharing requirements. This is exacerbated by the use of coinsurance in plan design, which consumers often do not understand. There is some evidence that lower health insurance literacy may be associated with greater avoidance of both preventive and non-preventive services.⁵ Moreover, when consumers are confronted with such high out-of-pocket obligations once they *have* coverage, they may abandon their treatments because they cannot afford them.⁶

When patients cannot afford the cost of needed medical care, the costs do not disappear. Either the patient does not pursue treatment, thereby threatening their survival, or the patient

¹ Consumers Union, University of Maryland College Park and American Institutes for Research, *Measuring Health Insurance Literacy: A Call to Action*, February 2012, available at <https://www.air.org/sites/default/files/Health-Insurance-Literacy-Roundtable.pdf>; Paez K, Mallery C. "A Little Knowledge Is a Risky Thing: Wide Gap in What People Think They Know About Health Insurance and What They Actually Know." American Institutes for Research, October 2014, available at

https://www.air.org/sites/default/files/Health%20Insurance%20Literacy%20brief_Oct%202014_amended.pdf.

² Villagra V, Bhuvra B, Coman E, Smith D, Fifield J, Health Insurance Literacy: Disparities by Race, Ethnicity, and Language Preference. *Am J Manag Care*. 2019;25(3):e71-e75. <https://www.aimc.com/view/health-insurance-literacy-disparities-by-race-ethnicity-and-language-preference>

³ Devane, Katie, Katie Harris, and Kevin Kelly. "Patient Affordability Part Two: Implications for Patient Behavior & Therapy Consumption." IQVIA, May 2018, available at: <https://www.iqvia.com/locations/united-states/patient-affordability-part-two>

⁴ Streeter, S.B., Schwartzberg, L., Husain, N., Johnsrud, M. "Patient and plan characteristics affecting abandonment of oral oncolytic prescriptions." *American Journal of Managed Care*. 2011. 175 (5 Spec No.): SP38-SP44.

⁵ Tipirneni R, Politi MC, Kullgren JT, Kieffer EC, Goold SD, Scherer AM. Association Between Health Insurance Literacy and Avoidance of Health Care Services Owing to Cost. *JAMA Netw Open*. 2018;1(7):e184796. doi:10.1001/jamanetworkopen.2018.4796, available at

<https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2714507?resultClick=1>

⁶ *Ibid.*

incurs medical debt. Many studies have documented that those who are diagnosed with cancer are more likely to file for bankruptcy compared with those who are not diagnosed with cancer. These costs do not only affect cancer patients and their families, but also the entire health care system through cost shifts from uncompensated care and/or by patients qualifying for Medicaid as household income declines and assets are liquidated to cover health care costs.

In addition, according to research by the actuarial firm Milliman, a first-dollar, copay-only structure for prescription drugs can be implemented with limited premium impact, and can be accommodated within the ACA's AV requirements by making minimal adjustments to other benefits.⁷ In that research, the net cost benefit to patients significantly outweighed any minimal premium adjustments. In Maine, where 86% of consumers receive premium subsidies, the impact will be further ameliorated. We feel the benefit to patients is more than worth it.

Lastly, we recommend the plan design include a first drug tier covering drugs that are available at no cost-sharing to the enrollee. This will provide greater transparency to consumers regarding the plan's coverage for no-cost prescription drugs covered under the preventive services benefit such as tobacco cessation drugs. Plans may also add other drugs to this no cost-sharing tier to make the plan attractive to consumers.

Consumers' Cost-Sharing Responsibilities Should be Transparent

In addition, as demonstrated by using the 2021 federal actuarial value calculator, which is publicly available, small changes can be made to copays for other drug tiers in the draft silver low plan design and coinsurance can be removed from the prescription drug benefit design with no impact on the actuarial value (AV).⁸ For example, shifting to copays across all drug tiers (with a maximum of \$100 copay for the highest tier) had no impact on AV if the generic drug copay is increased by \$0.40 (\$15 to \$15.40). In addition, drug deductibles can be removed for all drug tiers (with copays) without impacting AV by further increasing the generic copay by \$2.05 (\$15.40 to \$17.45).

As such, our organizations would like to restate the recommendation from our first round of comments that the Clear Choice plan designs include copay only structures, especially for prescription drug coverage. If the intended purpose of the standardization of plan designs is to allow individuals better opportunity to compare plan options, we question why plans would be permitted to use coinsurance, as it is not transparent to consumers.

⁷ Milliman, Inc. "Pharmacy Cost Sharing Limits for Individual Exchange Benefit Plans: Actuarial Considerations." March 2015. Available at: <http://www.ils.org/sites/default/files/National/USA/Pdf/Milliman%20Report%20on%20Prescription%20Cost%20Sharing%20Limits%20for%20Exchange%20Plans.pdf>

⁸ Using the information available, it was not possible to replicate the exact AV reported by the Bureau. The modelling yielded 70.93%, while the Bureau's model yielded 70.8%. If we can get the AV inputs, the modelling can be re-run with the Bureau's exact inputs. This small discrepancy likely does not have a meaningful impact on the interpretation of the overall modelling results since all changes were only applied to the drug benefit.

If the Bureau decides it is necessary to include coinsurance, we would like efforts to be made to lower the coinsurance level and/or use a per script maximum out-of-pocket. Many oral cancer drugs, especially targeted therapies and/or immunotherapies, are often included in the specialty tier drug tier. These drugs can cost thousands of dollars – even tens of thousands of dollars – for a one-month prescription, which for consumers who need high-cost drugs, can result in thousands of dollars in out-of-pocket costs. Many Mainers would be unable to afford a monthly out-of-pocket expense of hundreds or thousands of dollars per prescription especially when taking into account that patients incur cost-sharing related to other medical services such as provider visits, or even cost-sharing on other prescription drugs. A recent study concluded that caps for spending on specialty drugs were associated with substantial reductions in spending on specialty drugs among patients with the highest out-of-pocket costs, without detectable increases in health-plan spending, a proxy for future insurance premiums.⁹

Clear Choice Plans Should be of High Quality to Consumers, Regardless of what is on the Market Today

The Bureau stated that they based the proposed Clear Choice options around the current “popular” plan selections. However, we believe using existing “popular” options presents a missed opportunity and locks the State into existing designs rather than embracing the opportunity for improvement. We find it unlikely that the intent behind the enabling legislation was simply to freeze the existing market options. We supported the legislation as an opportunity to do better, not simply more of the same. We feel that we, as stakeholders, owe it to the patients and consumers across the state to strive for improvements where we can.

We also note that consumers may gravitate to certain health plan models because those represent the existing options available to them. This is not necessarily the same thing as what options consumers may want. There are, currently, zero plans available through the marketplace in Maine that offer a copay-only prescription design. It is entirely likely that consumers would select more beneficial first-dollar coverage if that alternative was made available.

Clear Choice Plans Should be Standard without Unnecessary and Confusing Alternatives

On a related note, we strongly object to the concept brought forward on the previous stakeholder call that more plan design alternatives are needed within the Clear Choice design. The name “Clear Choice” implies, as we have said in previous comments, clarity and ease of understanding. We believe that allowing a large number of alternative plan designs would be confusing to the consumer and antithetical to the stated intent of the legislation. The literature shows that dozens of choices often lead to confusion and when faced with complex choices,

⁹ Yeung K, Barthold D, Dusetzina SB, Basu A. Patient and Plan Spending after State Specialty-Drug Out-of-Pocket Spending Caps. *N Engl J Med.* 2020 Aug 6;383(6):558-566. doi: 10.1056/NEJMsa1910366. PMID: 32757524.

consumers often use mental short cuts to simplify the choices.¹⁰ In some cases, the choice becomes so daunting, the consumer chooses not to make a choice. In this case, that results in consumers going without coverage.

We urge the Bureau to consider the patient experience as a primary determination in guiding its decision in designing the Clear Choice proposal. Will this help more consumers afford not only their premiums, but their necessary care? Will the total patient cost (premiums AND out of pocket obligations), and their understanding of what is being presented to them, be considered when finalizing standard designs? Does this maximize the opportunities available to enrich and improve the insurance experience for people in the state? Will this, then, make patient lives better? If we cannot say yes, our work is not done.

On behalf of the American Cancer Society Cancer Action Network and The Leukemia & Lymphoma Society, we thank you for the opportunity to provide comments and input as the Bureau of Insurance further develops a draft plan for the Clear Choice benefit design. If you have any questions, please feel free to contact either of us - Hilary at hilary.schneider@cancer.org or 207-373-3707 or Steve at steve.butterfield@lls.org or 207-213-7254.

Sincerely,



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



Steve Butterfield
Regional Director, Government Affairs
Leukemia & Lymphoma Society

¹⁰ Taylor, Erin Audrey, Katherine Grace Carman, Andrea Lopez, Ashley N. Muchow, Parisa Roshan, and Christine Eibner, *Consumer Decisionmaking in the Health Care Marketplace*. Santa Monica, CA: RAND Corporation, 2016. https://www.rand.org/pubs/research_reports/RR1567.html.