

Dear Superintendent Cioppa, Ms. Hooper, and Ms. Rawlings-Sekunda:

Thank you for sharing the proposed Clear Choice plan design options that have developed by the Bureau, as well as the Bureau's responses to questions posed to date. We certainly appreciate the complexities of plan design—it is a difficult and time-consuming process with many nuances and moving parts.

The movement to standardized plan designs will create significant disruption in both the individual and small group markets. Beginning January 1, 2022, members will no longer be able to purchase their current plan. This will undoubtedly create frustration and member abrasion. In many instances, employers and consumers will be forced to move to a more expensive plan, or drop to a lower metal level plan. This disruption will be further exacerbated if the individual and small group markets are merged.

In addition to the comments previously presented on August 28, we would like to offer the following comments on the proposed plan designs, some of which were expressed during the meeting on September 15, 2020.

1. ***Make more benefits subject to coinsurance, rather than copayments.*** We understand the appeal of applying copays to many services across plans; however, although simpler, it also increases the cost of the plans. This at a time when health care costs continue to increase and both the individual and small group markets are decreasing in size. The movement to require co-pays rather than co-insurance will increase the premium, sometimes significantly and members will be force migrated into new plans that may offer very different coverage at a higher cost. For example, Anthem does not currently offer an individual market silver plan with an actuarial value equivalent to what is proposed. The increase in benefits will result in approximately an 8% increase in premium to our members, and this is prior to the application of other factors such as medical trend and the potential impact of a merger of the individual and small group markets. This may well have the unintended consequence of forcing those members into bronze plans in order for those members to be able to continue to afford their coverage.
2. ***More plan designs should be developed.*** We do not believe that enough plan design options are being developed, particularly given the disruption that will be experienced by the individual and small group markets and the fact that the proposed plan designs are not representative of plans purchased in the small group market. Having so few options available, both with respect to benefit design and price, will lead to significant disruption and abrasion, as well “sticker shock” as consumers are forced into higher cost plans or lower value plans in order to afford coverage. Providing employers and consumers with more options from which to choose will help to reduce disruption. It is important to remember that not everyone receives premium assistance, and a variety of plan options at different price points will be extremely important in order to allow consumers to find the plan that fits their needs.
3. ***Include plans that are representative of plans offered in the small group market today.*** The proposed clear choice plan design offerings are not consistent with small group offerings in the

market today, which is likely to result in even greater disruption for small groups and their employees.

4. **Include more HSA plans.** One HSA plan option is not sufficient to meet the needs of the marketplace. We would suggest an additional HSA plan with a deductible in the range of \$2,800 to \$3,500.
5. **Provide clarification regarding catastrophic plans.** It will be necessary to develop a catastrophic plan design, and to clarify the application of section 2792(1).
  - Pursuant to 24-A M.R.S. § 2793(2), “[c]lear choice designs apply to all individual and small group health plans offered in this State with effective dates of coverage on or after January 1, 2022”; there is no exclusion for catastrophic plans so a clear choice plan design must be developed.
  - Small groups are not eligible to purchase catastrophic plans; however, 24-A M.R.S. § 2792(1), requires that a carrier offering individual plans make the plan available to all eligible small employers within the plan's approved service area and all small group plans must be available to all eligible individuals residing within the plan's approved service area. We will need clarification on the application of this section to catastrophic plans.
6. **Allow tiered plan designs to be offered.** Tiered plans should be allowed if the Tier 1 benefits comply with the Clear Choice design requirements.

In addition to the foregoing general suggestions, we would like to offer more specific comments on the proposed plans:

7. The PCP benefit for all plans is listed as PCP/Behavioral with a copay. We would suggest that behavioral health office visits be treated as Specialist visits unless the service is performed by the PCP. It is not clear if it is permitted under Response #11, but Response #20 appears to allow for it.
8. Bronze plans
  - We would suggest that 0% coinsurance options should be avoided.
  - The PCP copays are high on the Bronze (both the \$6,000 and \$8550 are at \$50). We would suggest lowering them slightly and making them different to allow for consumer choice. We would also note, however, that they may need to remain at that level if behavioral health specialists are required to be covered in the same manner same as PCPs.
  - We would suggest lowering the urgent care copays from \$95 to approximately \$60.
  - There should be different deductible option for either the \$6,000 non-HSA or the \$6,000 HSA – while they are different types of plans it may be a missed opportunity to have different options to provide more consumer choice. We would suggest a lower coinsurance option in bronze besides 0% and 50%.
9. Silver plans
  - We would suggest at least one additional Silver plan design to provide consumer choice.
  - The most popular plans in the small group market have \$3,500 and \$5,000 deductibles, both of which are missing from the Clear Choice plans, and those plans generally have lower

coinsurances and copays. Similar plans should be added in order to meet the needs of small group purchasers.

- We would also suggest a silver level HSA plan with a deductible of \$3,000.
- We would like to see lower PCP copay options if behavioral health specialist are not required to be covered same as PCP.
- Response #22 does not allow the Silver options to go below 70% AV – we would suggest that a lower AV be permitted, as CMS allows to 66%.

#### 10. Gold plans

- Current gold plan offerings in the small group market range from \$1,500 to \$3,000—the proposed gold plan design will likely be more expensive than the current gold plan offerings due to the lower out of pocket amount. As a result, we would suggest that there should be additional gold plan options

Finally, we have several questions about the proposed plan designs, as well as questions about the Cost Sharing Designs Responses shared in conjunction with the meeting on September 15 (some of which have already been shared with the Bureau):

11. Will cost-sharing for the CSR plans be standardized as well?
12. Can you confirm that cost-sharing based on site of service cost- will be allowed?
13. Response #3: The last sentence states that “[u]nder the merged market carriers do not have to offer identical choices of health plans to individuals and to small employers.” This seems to contradict the requirements of 24-A M.R.S. § 2792(1). Could the Bureau reconcile Response #3 with the provisions of section 2792(1), and clarify whether carriers must offer the same plans to both individuals and small groups?
14. Response #4: Is the Tier 2 Rx copay proposed for Bronze plans after the deductible? The comments only indicate that Silver, Gold, and Platinum have it applied before the deductible. Would coinsurance be more appropriate for Tier 2 Bronze?
15. Response #4 has generic Rx with a copay at all metal levels. While that may be appropriate for Tiers 1 and 2, there may be instances where a generic drug falls under Tiers 3 or 4. If so, can you confirm it would be subject to coinsurance?
16. Response #11: There seems to be a contradiction between this response and Response #4 with respect to the Bronze Tier 2 Rx benefit. Response #4 indicates that only Silver, Gold, and Platinum Tier 2 Rx benefits are covered before the deductible, but Response #11 indicates that all metal levels would be subject to this.
17. Response #17: Prohibiting the offering of tiered network plans decreases consumer choice and discourages value based payment arrangements. Tiered plans should be allowed if the Tier 1 benefits comply with the Clear Choice design requirements.
18. Response #18 advises that a Platinum plan does not have to be offered--could a platinum plan be offered to small groups but not to individuals? And must all other clear choice plan designs be offered, or can a carrier choose to offer certain

19. Response #19—could you clarify what is meant by the statement “Unless otherwise noted carriers are permitted to assign any service to any benefit category if permissible under state and federal law”?
20. Response #22 states that all services with a copay that are not subject to the deductible and the copay amount does not accumulate toward the deductible. It is our assumption that this excludes the 2<sup>nd</sup> and 3<sup>rd</sup> visit copays for PCP and Behavioral health as required by LD 2007, which must accumulate to the deductible?
21. Response #22: The proposed AV for the Silver on/off exchange plan is 70.8%, which is significantly higher than the Silver AV’s currently offered in the IND market. While members receiving APTCs may be somewhat protected from any rate increase associated with this, unsubsidized members are likely to see significant rate increases due to this change.

Thank you for the opportunity to submit the questions and comments. We would be happy to answer any questions to might have, and we look forward to continued discussion at the meeting on October 20.

Sincerely,

Kris Ossenfort

**Anthem, Inc.**

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