



Dear Ms. Hooper,

Consumers for Affordable Health Care (CAHC) appreciates the opportunity to participate in the Clear Choice stakeholder group and to provide the following comments. CAHC is a nonprofit, nonpartisan organization with the mission to advocate for Maine people to be heard, respected, and well-served in a health system that provides coverage, access and quality, affordable care to all. CAHC serves as Maine's Health Insurance Consumer Assistance Program, which provides toll-free access to certified application counselors, who help Mainers understand their health coverage options and how to apply and enroll in private health insurance.

Through this work, we often hear from Mainers who are confused about their health coverage options and how to select an insurance plan that best meets the needs of their families or employees. Clear choice designs can help to simplify this process and lessen consumers' burden when it comes to plan choice. A study in Massachusetts conducted by the National Bureau of Economic Research found that the introduction of standardized plans "increased consumer welfare."<sup>1</sup> This is partially due to the complexity of health insurance and low levels of health insurance literacy. Standardizing benefits enables consumers to make apples-to-apples comparisons and allows carriers to distinguish their plans based on price, provider networks, drug formularies, and quality. It's important to note that in addition to the benefit structure of clear choice plans, the design and format of the exchange website and how clear choice plans are displayed and identified on the website will also be crucial to realizing the potential benefits and goals of standardizing benefits.<sup>2</sup>

### **Improving Access to Affordable Coverage**

We strongly urge the Bureau to consider the impact of changes to the rate and benefit design of the second-lowest-cost silver plan (SLCSP) offered on the Marketplace in any given region. As these plans are used as the benchmark for calculation of advance premium tax credits ("APTC") received by all consumers in a region purchasing Marketplace plans, the SLCSP has an outsized impact on all consumers receiving APTC, regardless of which particular plan or metal level an individual selects, as the Bureau is well aware.

For this reason, New York requires silver plans offered in the individual market, including both standard and non-standard silver plans, to have an actuarial value (AV) of at least 70%, with a

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<sup>1</sup>Keith M. Marzilli Ericson, Amanda Starc, "How Product Standardization Affects Choice: Evidence from the Massachusetts Health Insurance Exchange," the National Bureau of Economic Research, Working Paper No. 19527. Available at <https://www.nber.org/papers/w19527>.

<sup>2</sup> Sabrina Corlette, Sandy Ahn, Kevin Lucia, and Hannah Ellison, "Missed Opportunities: State Based Marketplaces Fail to Meet Stated Policy Goals of Standardized Benefit Designs." Available at <https://www.urban.org/sites/default/files/publication/82611/2000862-Missed-Opportunities-State-Based-Marketplaces-Fail-to-Meet-Stated-Policy-Goals-of-Standarized-Benefit-Designs.pdf>

permissible de minimus variation of +2% AV.<sup>3</sup> We believe it is extremely important that the benefit structure for silver-level clear choice design plans in Maine have an actuarial value (AV) of at least 70%, to ensure consumers are able to afford the most comprehensive and rich benefits possible.

Given the potential market incentives for offering the lowest cost or second-lowest cost silver Marketplace plan in a particular region, we also strongly encourage the Bureau to reject any clear choice design opt-out requests for individual market silver plans that do not have an AV metal level of at least 70%, in order to prevent the availability of a lower value from undermining consumer's purchasing power and ability to afford a silver clear choice design plan.

### **Out-of-Pocket Costs**

It is a simple truth; cost is a barrier to care, including the cost of high deductibles. According to survey data of collected in 2018 by the Kaiser Family Foundation, more than half of individuals covered by employer sponsored insurance (ESI) report that they or a family member have delayed or skipped getting health care or filling a medication within the last 12 months. Workers with deductibles of \$1,500 or higher for individuals or \$3,000 or higher for families were more than 50% more likely to report delaying or skipping care than those without a deductible.<sup>4</sup> Only one of the individual plans that will be offered in Maine next year will have a deductible less than \$1,500 or \$3,000 for a family, and deductibles for silver-level plans will be as high as \$6,000.

The enhanced coverage for the first 3 primary care and behavioral health office visits under LD 2007, the *Made for Maine Health Coverage Act*, will go a long way to helping ensure Mainers can actually use the coverage they're paying for, instead of delaying or forgoing care due to high deductibles. Not only is cost-sharing waived for the first visit for each type of service, but plans also will not be able to apply a deductible or coinsurance to the 2<sup>nd</sup> and 3<sup>rd</sup> visits. This will improve accessibility to services in two ways: 1) it provides "first-dollar" coverage by eliminating the requirement to meet expensive deductible amounts, and 2) it utilizes copayments over coinsurance, making it easier for consumers to understand what costs they will be responsible for paying.

Numerous surveys have revealed low levels of health insurance literacy among consumers and that many people do not understand basic insurance terms like "deductible," "copay," or "coinsurance."<sup>5</sup> Coinsurance, however, is a particularly difficult concept for people to

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<sup>3</sup> Invitation and Requirements for Insurer Certification and Recertification for Participation in 2021, NY State of Health. Available at <https://info.nystateofhealth.ny.gov/sites/default/files/2021%20NY%20State%20of%20Health%20Plan%20Invitation%2C%20revised%205-8-20.pdf>

<sup>4</sup> Ashley Kirzinger, Cailey Muñana, Bryan Wu, and Mollyann Brodie, "Americans' Challenges with Health Care Costs," Kaiser Family Foundation. Available at <https://www.kff.org/health-costs/issue-brief/data-note-americans-challenges-health-care-costs/>.

<sup>5</sup>Altman, D. "A Perilous Gap in Health Insurance Literacy."

understand and use to calculate their expected out-of-pocket costs for a covered benefit, since coinsurance requires consumers to use math skills on top of comprehending health insurance terms. Results from a survey conducted by the Kaiser Family Foundation revealed consumers were less likely to be able to successfully calculate out-of-pocket costs for a service when doing so required math.<sup>6</sup> For this reason, we encourage the Bureau to build on the improvements under LD 2007 by prioritizing the use of pre-deductible copays over coinsurance, particularly for prescription drugs and frequently used services.

### **Coverage for Mental and Behavioral Health Services**

Through our Consumer Assistance Program HelpLine, we have heard from Mainers with private Marketplace insurance coverage who face financial barriers to accessing mental and behavioral health services or experience difficulty finding a health plan that meets their needs. This is partially due to health plan benefit structures that subject all mental and behavioral health office visits to a deductible, even when the deductible is waived, and copays are used for office visits to treat and manage physical health conditions.<sup>7</sup> The new coverage requirements required by LD 2007 will help address this issue by removing or minimizing financial barriers for the first 3 behavioral health office visits. However, many Mainers with mental and behavioral health and substance use issues may need ongoing support and counseling or for an extended period of time. We encourage the Bureau to ensure Mainers receive equitable coverage for mental and behavioral health services and that office visit cost sharing requirements for these services do not exceed the cost of primary care office visits, as California and DC have done in the benefit designs for their standard health plans.

### **Coverage for Pediatric Dental Benefits**

In general, embedding pediatric dental into Qualified Health Plan (QHP) benefits is the best way to ensure that any family purchasing coverage on the Marketplace actually gets affordable dental coverage for their children (no additional premium, no need to shop for another plan, no risk that they check out without a dental plan, etc. One analysis published in *The Journal of Pediatrics* compared the difference in premiums and out-of-pocket costs between embedding pediatric benefits in QHP versus and the costs of stand-alone dental plans for various patient profiles. The impact of embedding pediatric dental benefits to QHP premiums was found to be minimal (about \$7/month) and in almost every scenario, total out-of-pocket spending (including on premiums and cost-sharing) are lower for families when pediatric dental is embedded in the QHP. This is true even when pediatric dental benefits are subject to the deductible, however given that medical deductible are usually quite high, this would likely still

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*The Wall Street Journal*, September 4, 2014. Available at: <https://blogs.wsj.com/washwire/2014/09/04/a-perilous-gap-in-health-insurance-literacy/>

<sup>6</sup> <https://www.kff.org/health-reform/poll-finding/assessing-americans-familiarity-with-health-insurance-terms-and-concepts/>

<sup>7</sup> For example, Anthem Bronze X HMO 5000 Online Plus health plan waives the deductible for PCP and specialist office visits, which have \$35 and \$80 copays, respectively, but applies the \$5,000 deductible and 35% coinsurance applies to mental and behavioral health office visits.

create significant cost barriers for families to access the pediatric dental benefits.<sup>8</sup> For this reason, we would recommend looking to DC, CT, and CA, which have all structured their standard plan designs such that pediatric dental is exempt from the QHP deductible.

### **Conclusion**

Thank you very much for this opportunity to provide these comments. We understand and appreciate the hard work that has already and will continue to go into developing clear choice plan designs. If you have any questions, please feel free to contact me at 207-485-1476 or [kende@mainecahc.org](mailto:kende@mainecahc.org).

Sincerely,

Kate Ende  
Policy Director  
Consumers for Affordable Health Care

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<sup>8</sup> Marko Vujicic, PhD, and Cassandra Yarbrough, MPP, “Estimating Premium and Out-of-Pocket Outlays Under All Child Dental Coverage Options in the Federally Facilitated Marketplace,” *The Journal of Pediatrics*, Vol. 182. P349-355.E1, March 01, 2017. Available at: [https://www.jpeds.com/article/S0022-3476\(16\)31275-6/fulltext](https://www.jpeds.com/article/S0022-3476(16)31275-6/fulltext).