



September 30, 2020

Superintendent Eric Cioppa
Maine Bureau of Insurance
34 State House Station
Augusta, ME 04333-0034

Dear Eric,

Thank you for the continued opportunity to provide feedback through a stakeholder process on the development of Clear Choice Plan Designs per Maine Public Law Chapter 653 of 2020. We share the vision of the Bureau, the Governor and the Legislature to provide Maine residents with value-driven, affordable health insurance and applaud efforts to think innovatively about how to achieve that. Harvard Pilgrim Health Care compiled our collective expertise to assist the Bureau in rolling out Clear Choice Plan designs that meet the statutory guidance of consumer simplicity while continuing to provide affordable and meaningful health insurance coverage to residents. In summary, our comments include:

- Proposed glidepath strategy to rolling out Clear Choice plans coupled with analysis and iterative improvements will ensure optimal consumer value
- Many support structures exist in the marketplace to assist consumers in decision making and our hope that the trade-off between affordability and simplicity is fully explored
- Lost market innovations that have helped lower premiums; including significantly limited cost containment opportunities in individual market through partnerships and discounts with providers
- Concerns meeting AV requirements with design limitations
- Other comments regarding cost-sharing, benefits, and prescription drugs

Glidepath To Standardized Plan Roll Out

Consulting with our staff experts in actuary, plan design, legal and strategy, Harvard Pilgrim continues to request a glidepath approach to initiating Clear Choice Plan designs. It is our hope that the Bureau decides to move forward with a strategy that is both statutorily compliant, while offering ample opportunity to roll the plans out slowly, one per metal tier in Year 1, to study the impacts of such standardized plan designs on consumer receptivity, premium cost, benefits access, and to avoid unintended consequences that may have an undesired impact on access to affordable care. We have significant concerns that the proposed plan designs will increase premiums. Moving slowly will ensure we don't accidentally eliminate plans that offer the lowest cost to consumers.

Our review of the statute supports such a glidepath strategy. Section 2793, Subsection 3 provides considerable flexibility to the Superintendent in altering the number and design of Clear Choice Plans through the annual review while Subsection 4 clearly ties alternative plan offerings to Clear Choice Plans both geographically and by metal tier. We therefore read this as allowing up to 3 alternative plan designs per Clear Choice plan, per metal tier. This provides the statutory structure for a glidepath approach. We propose that Year 1 rolls out one plan per tier, coupled with review, analysis, and iterative plan adjustments leading to the creation of improved plans in Year 2. No language exists



directing all existing market plans to be eliminated and replaced entirely by Clear Choice and related alternative designs, but rather simply that Clear Choice, and related alternative plans must exist, and we ask you to consider an even broader interpretation of the statute toward that end. A glidepath approach will allow vetting of standardized options through the experience of our consumers here in Maine.

Market Innovation

Insurers innovate to improve value to our members, through plan designs and other tools. Health insurance literacy has been a priority of HPHC resulting in tools such as MyHealthMath and others that assist members in choosing the best value plans to match their health care needs. Similar services are available across the market. Brokers and member services also offer significant assistance to small businesses and individual members in choosing plans to meet their needs. Through a glidepath model, consumer research could be conducted to understand plan literacy comparing existing market tools vs. Clear Choice Plan design to direct a data-driven path forward.

Significant innovation happens within the context of plan design themselves to reduce costs and increase value. We improve affordability through innovative partnerships with providers and accompanying discounts; it appears Clear Choice would limit opportunities for these partnerships resulting in increased premium. We believe it is critical that ample room exists for innovative plan designs and tiered and narrow network plans, specifically designed to improve affordability within the small and individual markets. Significantly limiting options before fully vetting consumer response and opportunities to resolve unintended consequences directly hits the market's capacity to reduce costs to Maine residents.

AV Concerns

The metal level parameters required by the AV calculator present a significant challenge to limited and rigid plan designs. If the intent is for Clear Choice plans to be the lowest prices on the market, we question the solutions offered through the proposed Clear Choice plans in meeting that intent. Currently HPHC's tiered Silver plans are comparably cheaper for consumers than the proposed Silver Clear Choice plans, and we question the value of restricting AV on silver plan alternatives to 70%+. We encourage Year 1 flexibility to vet and improve these unintended consequences.

Our attempts to run the proposed plans through the current AV calculator indicate that only the Platinum plan fits in the AV ranges. All other proposed plans are too rich in plan design. By the time the 2022 AV calculator is released, it should be expected that these plans will fail to meet 2022 AV targets even further given the trend for the calculator increase AVs over time. The plan designs will need to increase cost sharing to fit the AV calculator for 2022 .

Plan Design and Benefits

Cost-Sharing

We reiterate our hope that final plans chosen for the marketplace include as many options as reasonable to provide choice and suitability to small businesses and individuals. HSA plans have been a



critical tool for consumers and we request that every metal tier and plans on/off exchange include one or more HSA options to consumers.

The proposed standard plan designs do not address cost-sharing amounts for any out-of-network services except for those services required under state or federal law to have the in-network cost-share amount like emergency services. Additionally, the OOPM limit on proposed Gold plan appears very low. For example, our average OOPM for Individual Gold plans is \$5,000 - \$7,000 (\$7,500 on tier 2 ME's Choice Plus). For Small Group, OOPM on average is \$5,500 - \$7,500 (\$8,000 on tier 2 ME's Choice Plus). A Clear Choice Gold plan with a lower OOPM will be higher priced than our current Gold plan offerings. In addition, we request clarification on deductible and OOPM family amounts, for instance would they be two or three times individual OOPM and would this differ per metal tier.

We're concerned that the proposed Clear Choice plans include high copays for Specialist visits (\$85) for Silver. Additional clarifications requested include whether site of service is a plan design provision that will be available in or limited by the Clear Choice designs or will we continue to have the opportunity to create such options in our proposals. While it adds complexity to plan design, it aids in cost containment and reduces premiums.

Prescription

Tiered prescription levels represent another opportunity to reduce premium costs to consumers while maintaining choice. Will the Clear Choice Plan designs include copay maximums on Tiers 3, 4, and 5, as we currently offer for small group plans? We currently offer such maximums only to small group; will this need to be consistent on individual plans as well? Would we need to make all prescription copays consistent in both markets and across Clear Choice and Alternate plans? Will there be flexibility in the number and name of tiers? For instance, we have 5 prescription tiers, other carriers have slightly different numbers and designs for prescription tiers, such as Tier 1A and 1B, etc. From a documentation standpoint, the limitation to specifically named prescription tiers will create complications at the corporate level and confusion across our service areas. Individual carrier consistency is important to carrier branding and administrative simplicity.

It is always Harvard Pilgrim Health Care's hope to provide constructive, experienced and data-based feedback when requested from the Bureau. Harvard Pilgrim Health Care pursues affordability through innovation and plan design and is concerned that such value will be lost in favor of perceived simplicity and uniformity. We urge you to take the time needed to fully vet these designs, ensuring consumer benefit and your serious consideration of a glidepath approach. Please know that we continue to be a constructive partner. The balance between affordability and simplicity has no simple answers, we know you will proceed thoughtfully through your directive.

Sincerely,

Bill Whitmore
Vice President, Maine Market