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February 4, 2020

The Honorable Sara Gideon
Speaker of the House
2 State House Station
Augusta, ME 04333

The Honorable Troy Jackson
Senate President
3 State House Station
Augusta, ME 04333

Re: AMA Support for the Made for Maine Health Coverage Act

Dear Senate President Jackson and Speaker Gideon:

On behalf of the American Medical Association (AMA) and our physician and medical student members, I am writing in support of the Made for Maine Health Coverage Act, legislation designed to significantly improve the health insurance system in Maine.

This legislation will improve health insurance transparency in Maine and assist consumers in making informed choices about their coverage by creating “clear choice design” requirements for individual and small group plans. These requirements would be established by the Superintendent of Insurance and in consultation with stakeholder groups that we hope will include physician representatives. The AMA agrees that navigating the wide range of health plan choices available on health insurance exchanges may be potentially difficult and confusing for patients. We therefore support efforts to ensure clear and meaningful differences between plans offered on health insurance exchanges. The AMA believes that the “clear choice design” requirements in this legislation would be a step in this direction. Additionally, the AMA supports the provision of the legislation that would allow carriers to submit opt-out requests to offer plans with alternative plan designs, provided that no design would result in adverse selection.

This legislation will also reduce health care costs for residents of Maine through changes to the individual and small group markets. For example, the legislation would combine the individual and small group risk pools to further stabilize the market and then expand reinsurance to that combined market. As evidenced by successful reinsurance programs in other states, as well as in Maine’s individual market, we expect the expansion of reinsurance to the combined pool will result in premium reductions in comparison to what they otherwise would have been had the reinsurance program not been in place.

Notably, we do have concerns with provisions that require the reporting of providers who provide “high-cost” items or services that hit the attachment point. We hope you will reconsider that provision in this legislation – as we do not anticipate that a physician will know when a patient has reached the reinsurance mark and, regardless, it will not influence the medical necessity of the item or service. As such, we see no value in the public reporting of individual physicians for this purpose.

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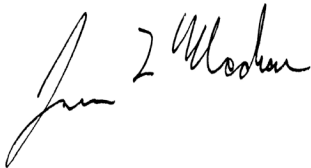
This legislation will also create greater market stability, and thus reduce premiums, through provisions requiring new protections and guardrails around Association Health Plans (AHPs). The AMA continues to have concerns about the impact of AHPs on the marketplace risk pools, given their ability to siphon young, healthy groups and individuals away from state individual and small group markets. Therefore, we strongly support provisions in your legislation to require guaranteed issue to eligible members of an association or trustee group, and that such groups be prohibited from conditioning coverage on health status or claims experience. Additionally, we support efforts to ensure the legitimacy of the associations offering coverage, reducing the ability of associations to form solely to offer health insurance.

Finally, we anticipate that should Maine transition to a state-based exchange, state leaders will seize on the new flexibility, innovation and greater efficiency and stability that may come with such a change. The AMA would look forward to working with state policymakers, as well as the Maine Medical Association, on these exciting opportunities for Maine's health insurance market and its enrollees.

If you have any questions, please feel free to contact Emily Carroll, Senior Legislative Attorney, AMA Advocacy Resource Center at emily.carroll@ama-assn.org or (312) 464-4967.

Thank you for the opportunity to engage on this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim L Madara". The signature is written in a cursive, flowing style.

James L. Madara, MD

cc: Governor Janet Mills
Maine Medical Association