Health Care in Maine

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Anthem®

How Anthem is Responding to COVID-19

- Access to Testing and Treatment
- Access to Mental Health Services & Support
- Access to Virtual Care
- Supporting Provider Partners
- Online Symptom Assessment & Sydney Care App
- Assisting Employer Groups
- Filling a Need for More Testing Capacity
- Improving Maine Communities

Lowering the Cost of Care & Expanding Access

Promoting Value-Based Care

- Developing high-value networks
- Paying providers for value, not volume

Looking Beyond the Hospital

- Identifying the right setting for care
- Increasing access through telemedicine

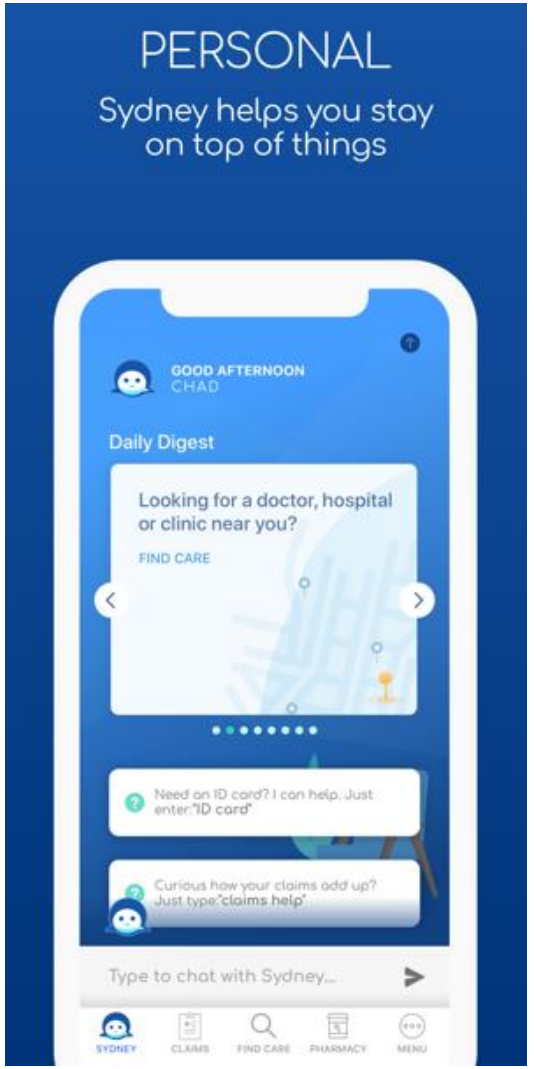
Lowering the Cost of Care & Expanding Access

Designing Health Plans & Tools to Empower Consumers

- Tiered products and Site of Service
- SmartShopper
- Sydney app

Addressing Pharmacy Costs

- IngenioRx
- Specialty drugs
- Giving providers real-time data



RECENT ACTIONS AFFECTING SMALL GROUP HEALTH CARE COVERAGE IN MAINE

ERIC CIOPPA, SUPERINTENDENT

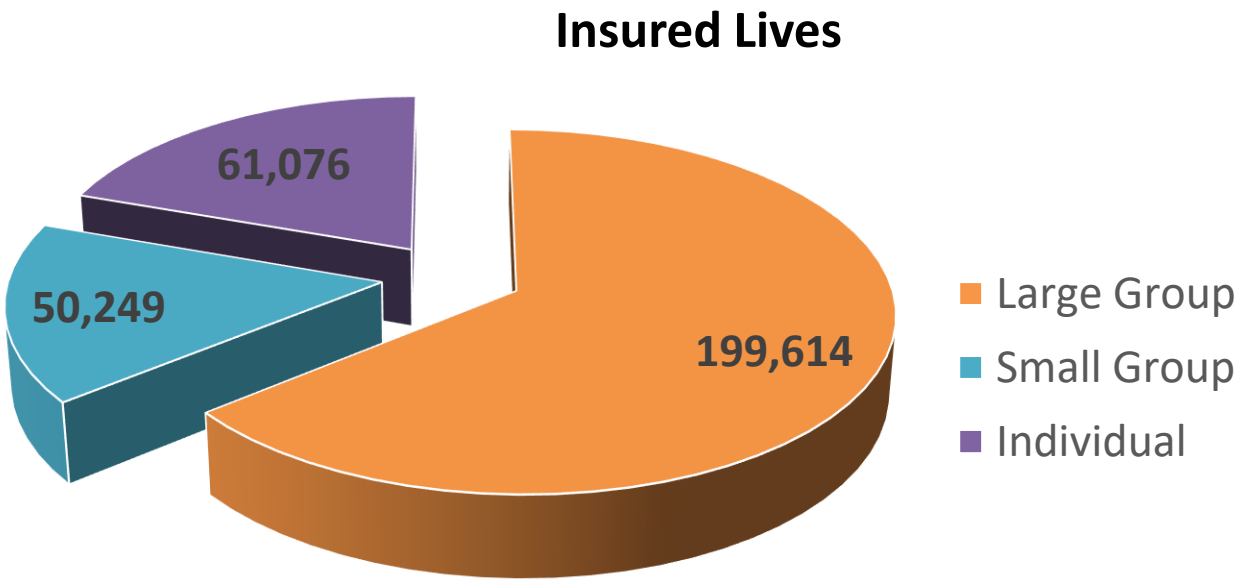
MAINE BUREAU OF INSURANCE

MAY 27, 2020

- Overview of Maine's Private Insurance Market
- Public Law 2019 Chapter 653 (LD 2007) – Made for Maine Health Coverage Act
- Public Law 2019 Chapter 668 (LD 2105) – An Act to Protect Consumers from Surprise Emergency Medical Bills
- Bureau of Insurance COVID-19 Actions

MAINE'S PRIVATE INSURANCE MARKET

INSURED LIVES BY MARKET SEGMENT



Source: 2019 Financial Results for Health Insurance Companies in Maine.

2020 Individual and Small Group Health Insurance Rate Filings

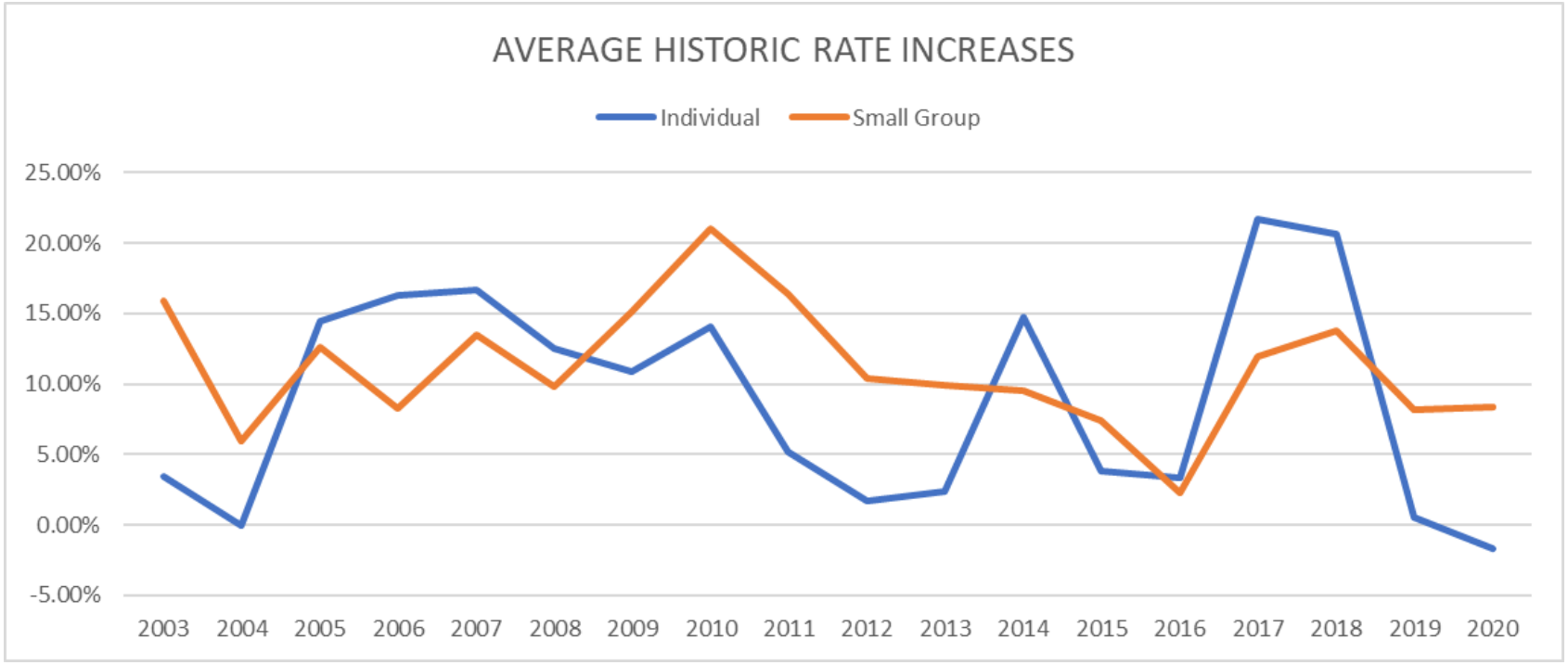
Individual Healthcare Plans

Carrier	Plan Type	Average	Low	High
Anthem Healthplans of Maine, Inc.	POS	-2.0%	-7.1%	6.4%
Harvard Pilgrim Health Care, Inc.	POS	-7.0%	-10.0%	-2.5%
Maine Community Health Options	PPO	0.9%	-7.7%	11.2%

Small Group Healthcare Plans

Carrier	Plan Type	Average	Low	High
Maine Community Health Options	PPO	9.1%	5.5%	14.9%
Anthem Healthplans of Maine, Inc.	POS	7.8%	4.7%	15.4%
Harvard Pilgrim Health Care, Inc.	POS	8.0%	-0.7%	16.1%
HPHC Insurance Company, Inc.	PPO	8.0%	-0.7%	16.1%
UnitedHealthcare Insurance Company	PPO	12.0%	8.1%	22.5%
Aetna Health Inc. (ME)	HMO	15.9%	5.9%	21.2%
Aetna Life Insurance Company	PPO	19.0%	12.6%	23.6%

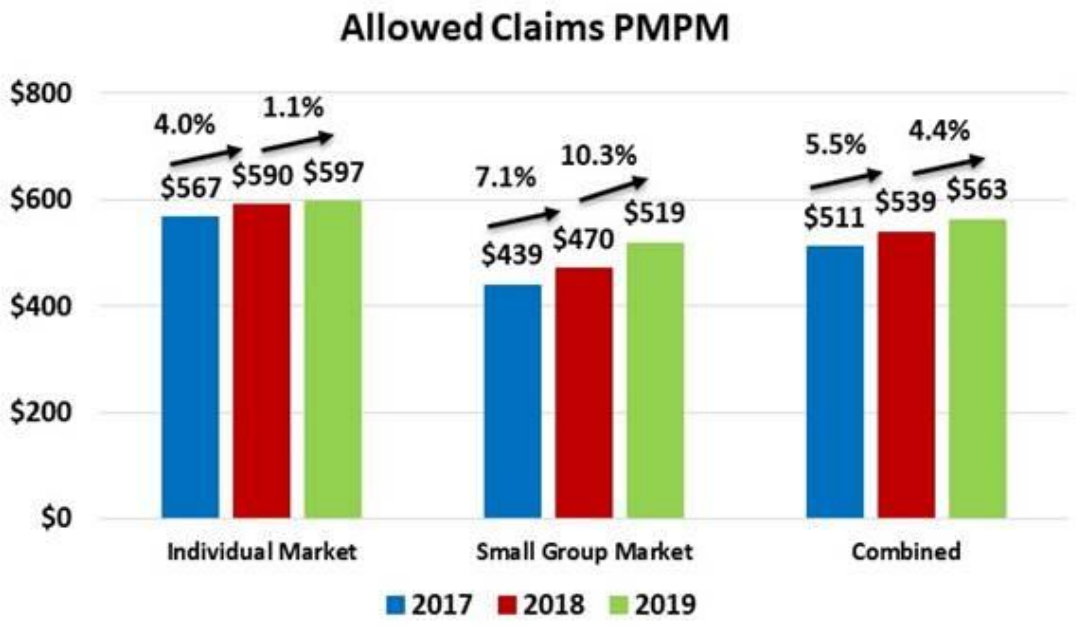
SMALL GROUP RATE TRENDS COMPARED TO INDIVIDUAL MARKET



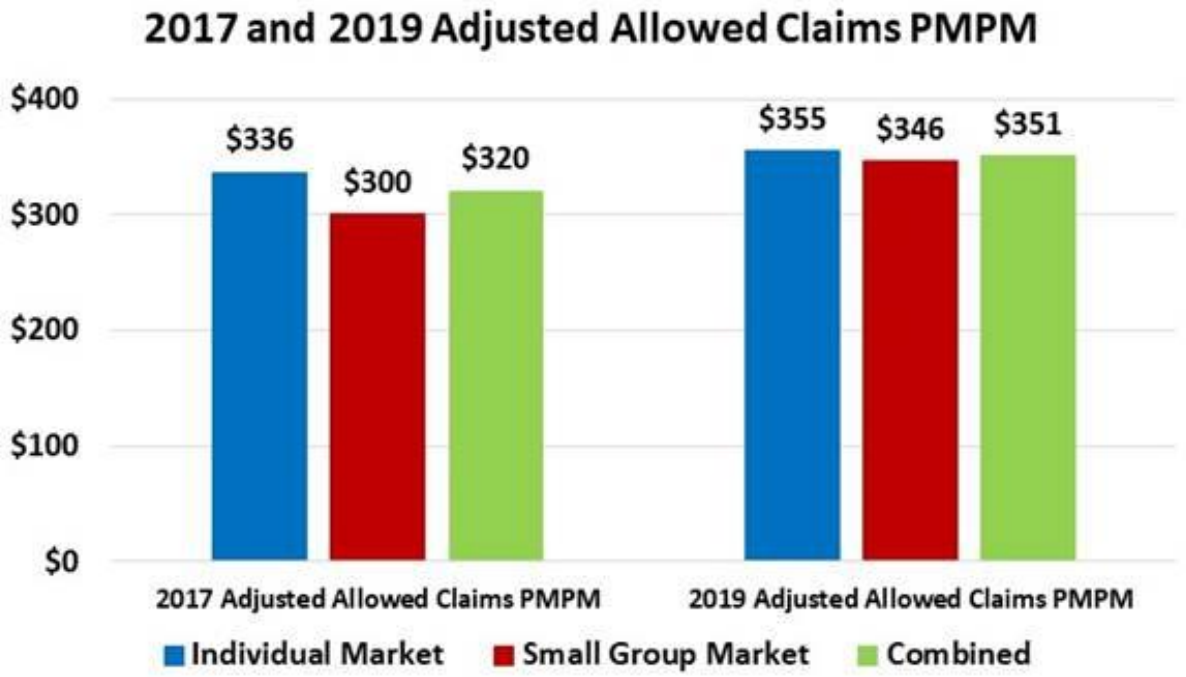
Individual increases 2001-2013 are for Anthem, the predominant carrier at the time.

SMALL GROUP ALLOWED CLAIMS COMPARED TO INDIVIDUAL ALLOWED CLAIMS (UNADJUSTED)

- In 2017, Small Group Market Allowed Claims PMPM were about **23% lower** than Individual Market claims before any adjustment.
- In 2019, Small Group Market Allowed claims PMPM is **13% lower**.
- Small Group Allowed Claims trending at a much higher rate than Individual Market: **18.1% over two years compared to 5.1% for Individual Market.**

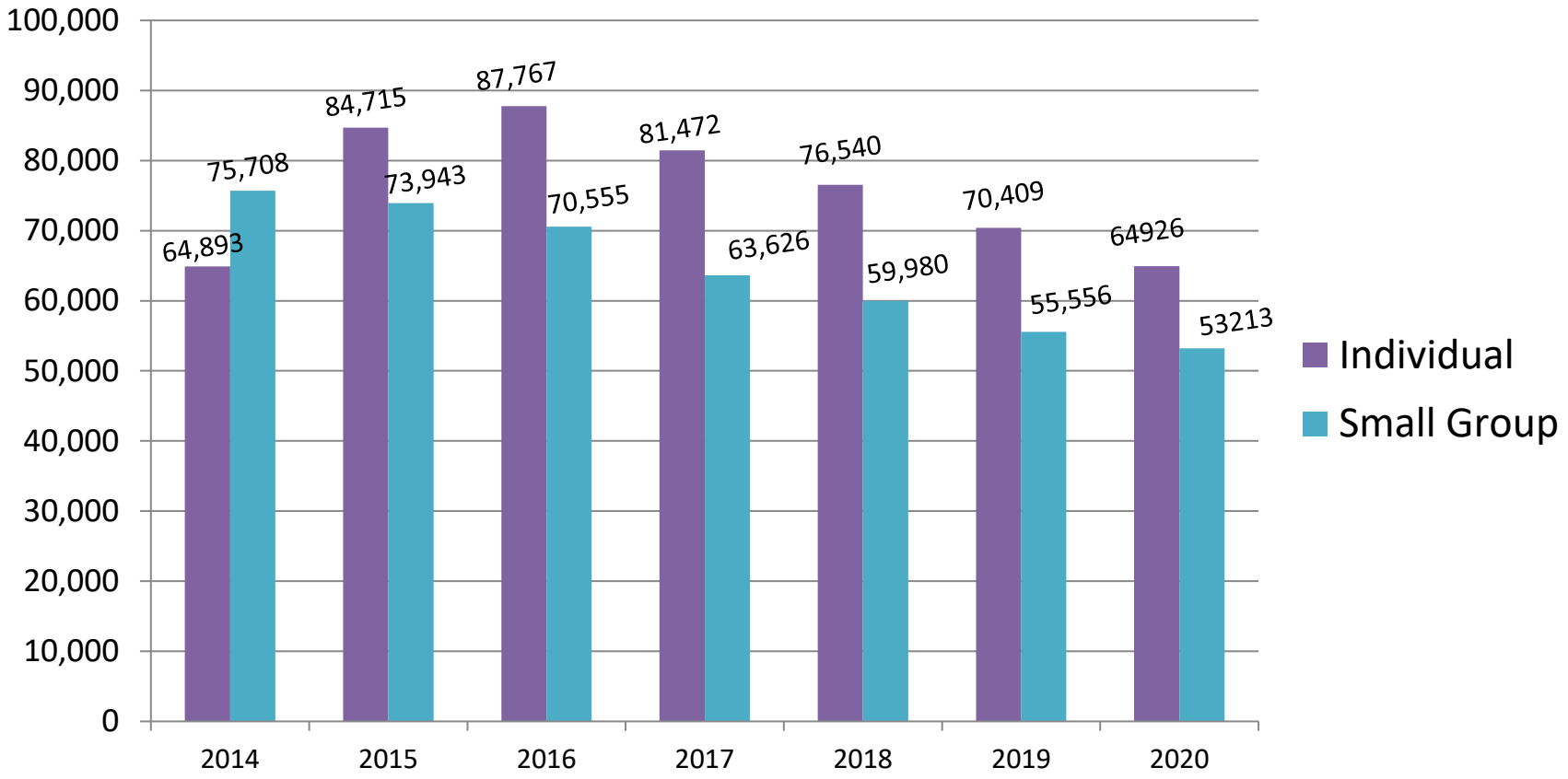


SMALL GROUP ALLOWED CLAIMS COMPARED TO INDIVIDUAL ALLOWED CLAIMS
(ADJUSTED FOR AGE, GEOGRAPHY, BENEFIT & NETWORK DIFFERENCES)



- After adjusting for age, geography, benefit and network differences, Small Group Allowed Claims PMPM are **11% lower** than the Individual Market in 2017.
- In 2019, Small Group Allowed Claims PMPM are **3% lower** than the Individual Market in 2019
- This data were examined to determine impact of merging the two markets.

HISTORICAL HEALTH INSURANCE ENROLLMENT



Open Enrollment numbers reported per Rule 940.

CONTRIBUTING FACTORS TO THE SMALL GROUP MARKET'S CHALLENGES

1. High underlying health care prices
2. Shift of enrollment to individual market
3. Deteriorating risk pool
4. Potential for"death spiral" as premiums rise and enrollment drops

SMALL GROUP STOP LOSS COVERAGE

- Healthy Small Groups move to Self-Insurance
- 40 Carriers Offering Medical Stop Loss in Maine
- 10 Carriers had sold to employer groups with 10 or fewer employees

A new regulation, Rule 135:

- Prohibits sales of stop loss to employers with 10 or fewer employees.
- Prohibits exclusions for individuals or medical conditions for small employers.
- Increases the current individual specific attachment point from $20,000 to $28,700.
- Requires disclosure if there is an annual limit on the policy.

For 2019, ten carriers reported 511 small groups with stop loss coverage covering 7,600 employees. These plans had attachment points $20,000 to $215,000.

PUBLIC LAW 2019 CHAPTER 653 (LD 2007) – *MADE FOR MAINE HEALTH COVERAGE ACT*

A THREE-PRONGED APPROACH TO IMPROVING THE SMALL GROUP MARKET

1. **Reinsurance - Maine Guaranteed Access Reinsurance Association**
   The new law authorizes the expansion of MGARA to cover the Small Group market, if actuarial analysis shows it will benefit both individuals and small groups.

2. **Consideration of merged risk pools for small group and individual markets**
   The new law directs a study of the feasibility of establishing a pooled market for individual health plans and small group health plans with effective dates of coverage on or after January 1, 2022.

3. **State-based Marketplace (SBM)**
   The new law directs a study of the feasibility of becoming an SBM to foster more efficient, responsive and affordable markets. (Currently, Maine has a State Based Marketplace on a Federal Platform – SBM-FP.)

1. REINSURANCE

Maine Guaranteed Access Reinsurance Association (MGARA)

- Resumed in 2019 following federal approval of a federal1332 State Innovation Waiver.
- Funded through a $4 assessment on all health insurance plans sold in the state, premium from ceded policies and recaptured funds from reduced federal APTC.
- Expansion to the Small Group Market will not result in increased assessments.
- Covers claims for enrollees with any of eight high-cost conditions, or who have been voluntarily ceded, for claims between $47k -$77k at 90% and 100% to $1 million (the threshold for the federal risk adjustment program) in 2019. Coverage for 2020 changed to $65k-95K at 90% and 100% to $1 million.
- Resumption of the reinsurance program resulted in individual market premiums 4-7% lower than without reinsurance for 2019.

2. MERGED RISK POOLS

Merging the Individual and Small Group Markets

- The implementation of a pooled market is preconditioned on the adoption of rules and the approval of a 1332 State Innovation Waiver by the federal government that both extends reinsurance to the pooled market **and projects that average premium rates would be the same or lower than they would have been absent the provisions of this law.**

- Preliminary estimates suggest that the small group market would experience an average premium increase between 2-9%, while the individual market would see a 1-5% decrease.

- **Combining this proposal with a reinsurance program could reduce or eliminate the anticipated premium increase for the small group.**

3. STATE-BASED MARKETPLACE (SBM)

- 11 states and DC run their own State Based Marketplaces (SBMs); 5 others are in various stages of transitioning to one.
- Insurers offering plans in states reliant on the Federally Facilitated Marketplace (FFM) currently pay a user fee of 3% of total premiums to the federal government to support the technology platform and associated marketing and outreach.
- **An SBM cannot charge more in fees than what the federal government charges for use of the FFM.**
- SBM-FPs are charged a lower user fee by the federal government (2.5% of total premiums in 2020) so the state could collect the .5% difference between fees from participating carriers and use those funds to support marketing and outreach.
- If the state transitioned to an SBM, Maine could set and collect its own assessment.
- SBMs tend to put a bigger effort to advertise and encourage enrollment, and have more carriers and lower premiums.

PUBLIC LAW 2019, CHAPTER 668 (LD 2105) – *AN ACT TO PROTECT CONSUMERS FROM SURPRISE EMERGENCY MEDICAL BILLS*

Protection from Surprise Emergency Billing

Since January 1, 2018, Maine law has protected consumers from what it known as "balance" or "surprise" billing. (See 24-A M.R.S. § 4303-C; 22 M.R.S. § 1718-D)

LD 2105/PL 2019 Chapter 668

- Fills the gap in the earlier law by applying the protection to emergency care.
- Requires an Independent Dispute Resolution (IDR) process to be developed by the Bureau and in place by 10/1/20.
- Carriers, providers, self-insured plans, uninsured (with a bill of $750 or more) can request IDR.
- Fully-insured plans must hold enrollee harmless beyond co-pay, deductible, cost-sharing amount that would apply if in-network.
- Does not include ambulance bills (remain at out-of-network rate until 10/1/21). Stakeholder group must convene to determine ways to encourage ambulance participation in networks.
- Does not apply to bills when a network provider was available to render the services and the enrollee knowingly elected to obtain the services from an out-of-network provider.
- IDR organization must make determination within 30 days.

BUREAU OF INSURANCE
COVID-19 RELATED ACTIONS

COVID-19 RELATED ACTIONS – HEALTH INSURANCE

Governor proclaimed Insurance Emergency on March 12th

Bureau Order on March 12th

- Screening/testing/visit – no cost to members
- Vaccine – no cost to members once available
- Network adequacy – out-of-network covered if in-network providers are overwhelmed
- Rx drug access – one-time early refill
- Prompt communication – with providers, members, BOI

Bureau Order on March 19th

- Credentialing – a provider credentialed in one facility is credentialed in any in-state facility
- Telehealth – allows for audio-only telephone; requires rate parity with in-person services

Bureau Order on March 27th

- Group health continuation – employer may request that health coverage continue for furloughed workers

Bureau Order: April 6th

- Premium deferral – policyholder can request deferral, due to COVID-related hardship, until June 1st

COVID-19 RELATED ACTIONS – PROPERTY & CASUALTY

Bulletin 443 – Property & Casualty Coverage – April 7th

- Insurers may not use COVID19 to narrow or cancel coverage.
- When COVID-19 exposure is coincidental to covered risks, it may not be treated as a "substantial change in the risk" justifying policy termination or unilateral policy modification.

Bulletin 444 – Property & Casualty Premium Refunds - April 15th

- Prospective reductions in premium, or refunds of premium made to accommodate COVID-19-related changes in exposure or risk profile will not be considered an unfairly discriminatory rating practice if reasonable and consistently applied.
- Rates and forms may be filed after implementing premium adjustments.
- Guidelines apply until July 1, 2020, unless extended by the Superintendent.

Bulletin 448 – Credit Scoring – May 11th

- Urges personal lines insurers who use credit in underwriting to recognize extraordinary life circumstances caused by COVID-19 and allow consumers to request exceptions.
- Insurer may require applicant or insured to provide reasonable written and independently verifiable documentation of COVID-19 related impact on credit information.

COVID-19 RELATED CONSUMER GUIDANCE

Available at maine.gov/insurance through the **COVID-19 Insurance Information** tab:

Consumer Information

- Consumer Guide to Insurance Provisions & Resources in Maine During the Coronavirus Crisis
- Taking a Trip? Information About Travel Insurance You Should Know Before You Hit the Road
- Special Event Insurance: Hunting for an event space? Before you say 'Yes' learn about your insurance options

Press Releases

- *Don't Rely on Travel Insurance to Cover COVID-19 Cancellations*
- *Mainers Should Be Alert for COVID-19 Related Insurance Scams*
- *Governor Mills Acts to Promote Access To Health Care During COVID-19*
- *Mainers Recently Unemployed Should Consider Their Health Insurance Coverage Options As Soon As Possible, Says Superintendent*

QUESTIONS?

MAINE BUREAU OF INSURANCE
WWW.MAINE.GOV/INSURANCE
800-300-5000/TTY 711

Legislative Update

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Enacted Legislation

Administrative/ Claims Payment

- **L.D. 1928 (P.L. 2019, c. 643), "An Act To Prohibit Health Insurance Carriers from Retroactively Reducing Payment on Clean Claims Submitted by Pharmacies"** (Sen. Libby, D-Androscoggin)
  - Provides that a contract between a carrier and a pharmacy provider cannot contain a provision that directly or indirectly charges the pharmacy provider or holds the pharmacy provider responsible for any fee related to a clean claim that (1) is not apparent at the time the claim is processed; (2) is not reported on the remittance advice; or (3) after the initial claim is adjudicated.
  - Applies to any contract with respect to a prescription drug plan offered by the carrier under which a pharmacy provider is legally obligated, either directly or through an intermediary.
  - Applies to contracts entered into or renewed on or after January 1, 2021.

Benefits/ Coverage

- **L.D. 1974 (P.L. 2019, c. 649), "An Act To Promote Telehealth"** (Sen. Gratwick, D-Penobscot)
  - Directs DHHS to provide reimbursement of case management services delivered through telehealth to targeted populations and clarifies that telehealth services reimbursable under the MaineCare program include consultation between health professionals regarding a patient, whether the consultation occurs in real time or asynchronously.
  - Provides that a health insurance carrier may provide coverage for inter-professional Internet consultations, including consultations that are provided by a federally qualified health center or rural health clinic.
  - Emergency legislation effective March 18, 2020.

- **L.D. 1975, (P.L. 2019, c. 605) "An Act To Facilitate Dental Treatment for Children"** (Sen. H. Sanborn, D-Cumberland)
  - Prohibits health insurance carriers and dental insurers from imposing a waiting period for any dental or oral health service or treatment, except for orthodontic treatment, for an enrollee under 19 years of age.
  - Applies to contracts issued or renewed on or after January 1. 2021.

Benefits/ Coverage

- **L.D. 2096 (P.L. 2019, c. 666), "An Act To Save Lives by Capping the Out-of-pocket Cost of Certain Medications"** (Speaker Gideon, D-Freeport)
  - Cost-sharing may not exceed $35 per prescription for a 30-day supply of insulin.
  - Applies to policies issued or renewed on or after January 1, 2021.
  - The bill also authorizes a pharmacist to dispense emergency refills of insulin and associated insulin-related supplies.
    - Must be dispensed in the lesser of a 30-day supply or the smallest available package.
  - Emergency legislation, effective March 18, 2020.

Benefits/ Coverage

- **L.D. 2105 (P.L. 2019, c. 668), "An Act To Protect Consumers from Surprise Emergency Medical Bills"** (Speaker Gideon, D-Freeport)
  - The bill amends the existing surprise billing law to include emergency services.
  - Requires that co-insurance for surprise bills and covered emergency services be based upon the median network rate for that service;
  - Changes the reimbursement rate that must be paid by the carrier for surprise bills to the greater of the carrier's median network rate paid for that health care service by a similar provider in the enrollee's geographic area; or the median network rate paid by all carriers for that health care service by a similar provider in the enrollee's geographic area as determined by the MHDO database or another independent medical claims database if the MHDO data is insufficient or otherwise inapplicable.
  - Requires that covered OON ambulance services be reimbursed at that provider's rate unless the carrier and OON provider agree otherwise. This provision is repealed October 1, 2021
  - Establishes an alternative dispute resolution process for surprise bills for covered emergency services
  - Provides a dispute resolution process for surprise bills for emergency services for persons covered under self-funded plans and uninsured individuals.
  - Emergency legislation, effective March 18, 2020

Providers

- **L.D. 1660 (P.L. 2019, c. 627), "An Act To Improve Access to Physician Assistant Care"** (Sen. L. Sanborn, D-Cumberland)
  - Amends the laws governing the licensure, and scope of practice of physician assistants.
  - Part A of the bill requires health insurance carriers to allow physician assistants to serve as primary care providers, and requires carriers to provide coverage for services provided by physician assistants if those services are within the scope of practice and covered services under the health plan.
  - Applies to contracts issued or renewed on or after January 1, 2021.
  - Emergency legislation, effective March 18, 2020

Market Reform

- **L.D. 2007 (P.L. 2019, c. 653), "An Act To Enact the Made for Maine Health Coverage Act and Improve Health Choices in Maine"** (Governor's bill, Speaker Gideon, D-Freeport)
  - Governor Mills' health insurance market reform proposal
  - Authorizes establishment of a state based exchange;
  - Authorizes the State to apply a 1332 waiver;
  - Establishes a merged market for individual health plans and small group health plans beginning 1/1/2022, subject to a projection by the Superintendent that both the average individual premium rates and the average small group premium rates would be the same or lower than they would have been absent a merger;
  - Requires that individual plans be available for purchase by small groups and vice versa;
  - Changes MGARA reinsurance to be retrospective and applies it to the pooled market beginning 1/1/2022;
  - Authorizes the BOI to adopt clear choice plan design requirements for cost sharing for EHBs beginning 1/1/2022; and
  - Requires that individual and small group plans provide coverage of three primary care and three behavioral health visits each year.
    - The first primary care office visit and first behavioral health office visit must be covered without cost-share;
    - May not apply deductible or coinsurance to the 2nd or 3rd visits;
    - Any copays for the 2nd and 3rd visits must accumulate toward the deductible.

Legislation Carried Over to a Special Session

Bills Carried Over

- **L.D. 30, "An Act To Improve Health Care Data Analysis"** (Rep. Perry, D-Calais)
  - Originally presented as a concept draft
  - Require that price information posted on the MHDO website annually instead of 2x per year;
  - Repeal the requirement is issue annual reports related to a comparison of the 15 most common inpatient and outpatient services and to the 10 services and procedures most often provided by physicians in a private office setting.
  - Establishes the MHDO as the State's public health authority for review and evaluation of the rates, costs and trends of emergency department visits due to substance use statewide among commercial payers, MaineCare and Medicare;
  - Authorizes the MHDO to adopt rules related to the reporting of data from the statewide cancer-incidence registry and data related to vital statistics.
  - Establishes the MHDO Health Information Advisory Committee to make recommendations to the organization regarding public reporting of health care trends developed from data reported to the organization.
  - Directs the MHDO to develop and maintain a single-source provider database and service locator tool in conjunction with DHHS.

Bills Carried Over

- **L.D. 519, "An Act To Expand Adult Dental Health Insurance Coverage"** (Rep. Brooks, D-Lewiston)
  - Part B of the bill requires health insurance carriers to provide coverage for comprehensive adult dental services.

- **L.D. 1434, "An Act To Allow Certified Registered Nurse Anesthetists To Bill for Their Services"** (Rep. Perry, D-Calais)
  - Requires insurers, health maintenance organizations and nonprofit hospitals or medical service organizations to provide coverage for the services of certified registered nurse anesthetists.

- **L.D. 1611, "An Act To Support Universal Health Care" (**Rep. Brooks, D-Lewiston)
  - Establishes the Maine Health Plan to provide universal health care coverage to all residents of this State. The bill is modeled on proposed legislation considered in Minnesota.

Bills Carried Over

- **L.D. 1995, "An Act To Enact the Maine Insurance Data Security Act"** (Sen. Foley, R-York, Bureau of Insurance bill)
  - Establishes standards for information security programs based on ongoing risk assessment for protecting consumers' personal information. The bill also establishes requirements for the investigation of and notification to the Superintendent of Insurance regarding cybersecurity events.
  - The State Health Plan is considered a carrier for the purposes of certain provisions of the Insurance Code and will be subject to the legislation.

- **L.D. 2106, "An Act Regarding Prior Authorizations for Prescription Drugs"** (Sen. Gratwick, D-Penobscot)
  - As amended, the bill will require carriers to make available at least one electronic tool that is capable of integrating with at least one e-prescribing system or electronic medical record that provides real time prescription drug benefit information at the point of prescribing and when submitting prior authorization requests for prescription drugs by January 1, 2022.

Bills Carried Over

- **L.D. 2110, "An Act To Lower Health Care Costs"** (Senate President Jackson, D-Aroostook)
  - Creates the Office of Affordable Health Care within the Legislature.
  - Office is charged with analyzing data from MHDO and the Maine Quality Forum and making recommendations to the Legislature on methods to improve the cost efficient provision of high quality health care to the residents of this State.
  - Operates under the direction of the HCIFS Committee and an 8 member advisory council, representing the interests of hospitals, primary care providers, a health care consumer advocacy organization, health insurance, purchasers of health care, the health care workforce, older residents, and demonstrated expertise in health care delivery, health care management at a senior level or health care finance and administration. The Commissioners of DAFS and HHS are ex officio members
  - Required to hold an annual public hearing on cost trends no later than October 1 of each year at which the public can comment on health care cost trends.
  - Must submit an annual report to the Legislature.