

**The Maine Heritage Policy Center
Testimony to Oppose LD 2007
“An Act To Enact the Made for Maine Health Coverage
Act and Improve Health Choices in Maine”**

Senator Sanborn, Representative Tepler and distinguished members of the Committee on Health Coverage, Insurance and Financial Services, my name is Adam Crepeau and I serve as a policy analyst at The Maine Heritage Policy Center. Thank you for the opportunity to speak in opposition to LD 2007.

The Maine Heritage Policy Center opposes this bill for several reasons. For one, LD 2007 seeks to create a state-based marketplace with the fees assessed to all carriers that offer qualified health plans in the marketplace. We are concerned the shift from the federal exchange to a state-based exchange could increase administrative costs for the state.

When Oregon attempted to create their own state-based exchange, they wasted approximately \$300 million in federal taxpayer dollars.¹ When New Mexico tried to operate their own IT platform, BeWellNM, the state spent \$85 million taxpayer dollars and eventually shifted back to the federal platform, citing it as a less costly alternative for the state.² We are concerned that if the three percent user fee does not cover the entire cost of running a state-based exchange, we would need to use state taxpayer dollars to fill the shortfall.

In addition, we oppose the clear choice designs outlined in under §2792 because they would “standardize” health insurance by creating boxes for each type of coverage. Insurance companies should be able to design their plans however they’d like. Under this bill, insurance companies would need to abide by the clear choice designs or receive a permission slip from the Superintendent of the Maine Bureau of Insurance if they’d like to opt-out.³

Moreover, this bill would direct insurance companies to offer plans that would cover the first primary care visit and behavioral health visit annually. For the second and third visits, only copays would apply. This should be a decision made by insurance companies, not lawmakers, the governor or government bureaucrats.

The Maine Heritage Policy Center maintains that price transparency measures are the best way to lower health care costs in Maine, primarily because they inject competition into the pricing of health care.

¹<https://www.forbes.com/sites/gracemarieturner/2015/03/31/oregons-failed-obamacare-exchange-is-a-warning-for-other-states/#3a1adf5225fd>

² <https://www.abqjournal.com/1360760/health-exchange-millions-should-sicken-taxpayers.html>

³<https://www.maine.gov/governor/mills/news/mills-jackson-gideon-announce-bill-improve-health-insurance-maine-people-and-small-businesses>

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THE MAINE HERITAGE POLICY CENTER

Giving consumers this information will allow them to shop around for who offers the best and cheapest options available.

For those reasons, The Maine Heritage Policy Center urges the committee to vote, "Ought Not to Pass" on LD 2007. Thank you.