



DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION

Bureau of
Insurance

STATE OF MAINE



MAINE BUREAU OF INSURANCE

MAINE DEVELOPMENT FOUNDATION - POLICY LEADERS ACADEMY

JANUARY 23, 2020

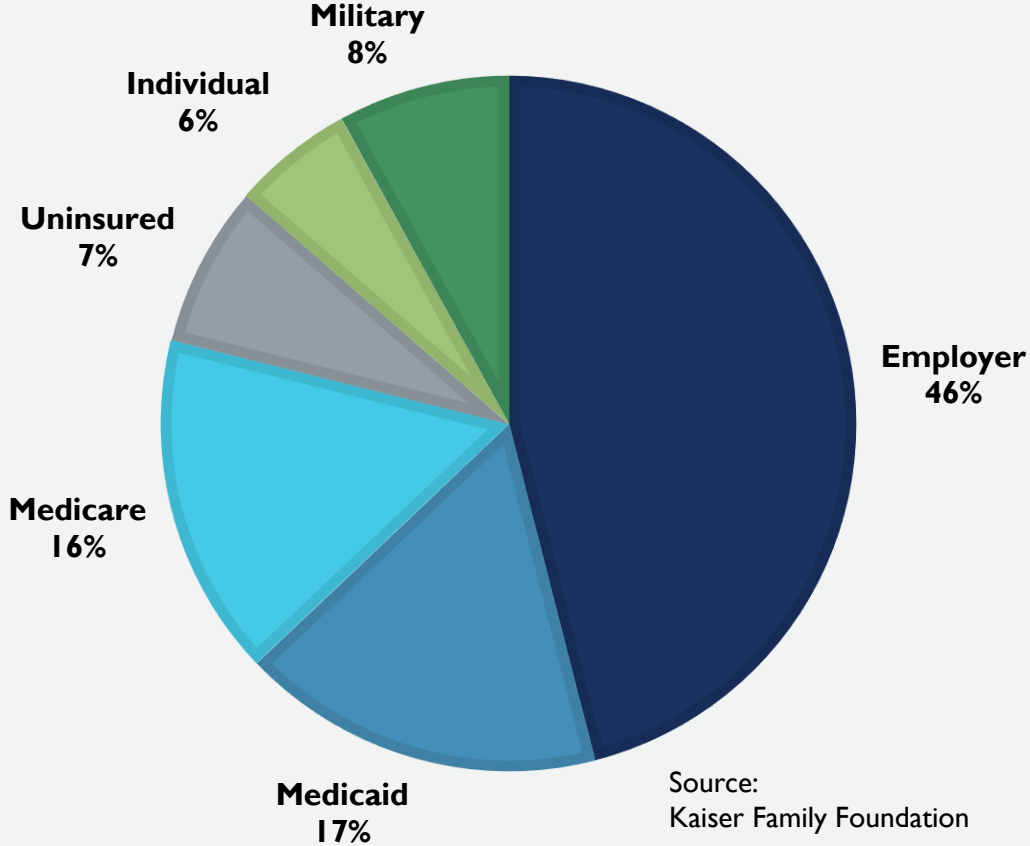
ERIC CIOPPA, SUPERINTENDENT OF INSURANCE

*MAINE'S
HEALTH
INSURANCE
MARKET*

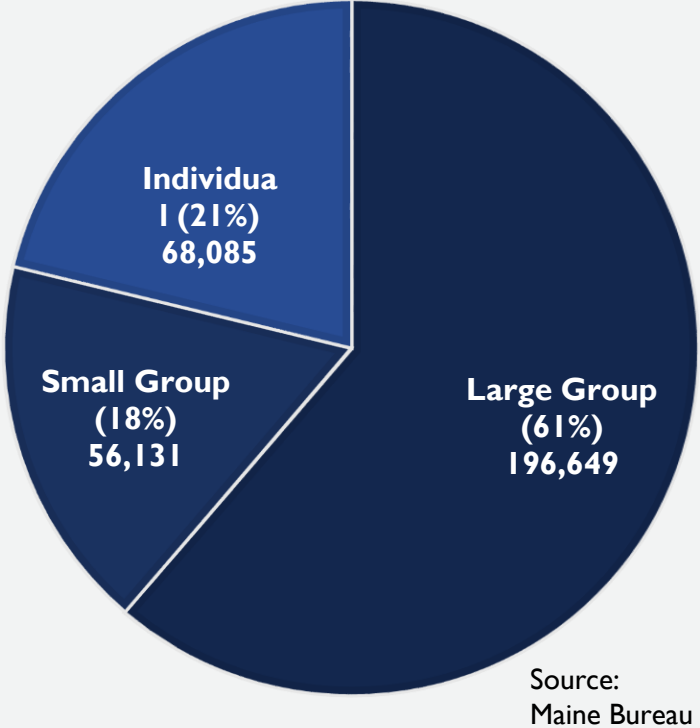


Health Insurance Coverage

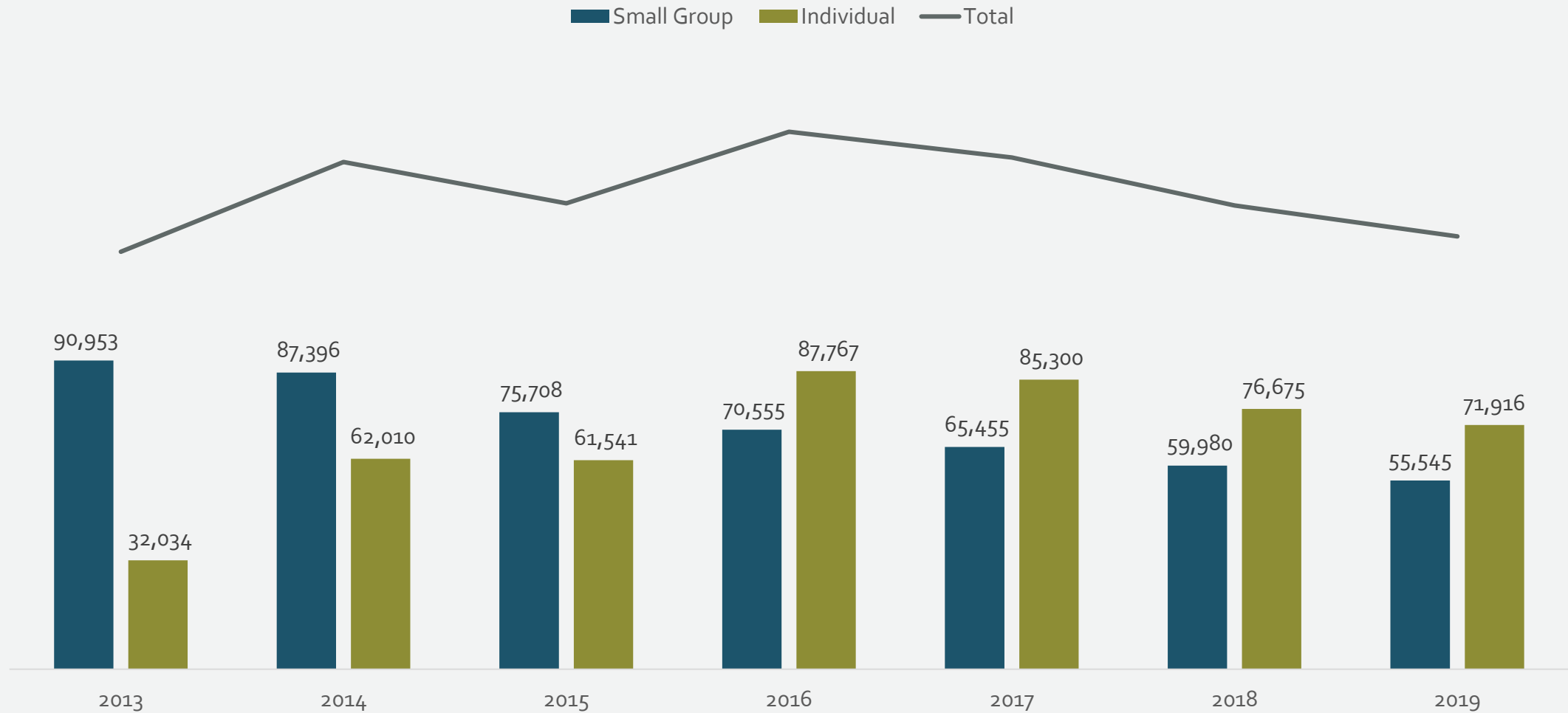
PERCENTAGE OF POPULATION BY COVERAGE TYPE - 2018



FULLY INSURED ENROLLMENT - 2018



Maine Historical Health Insurance Enrollment



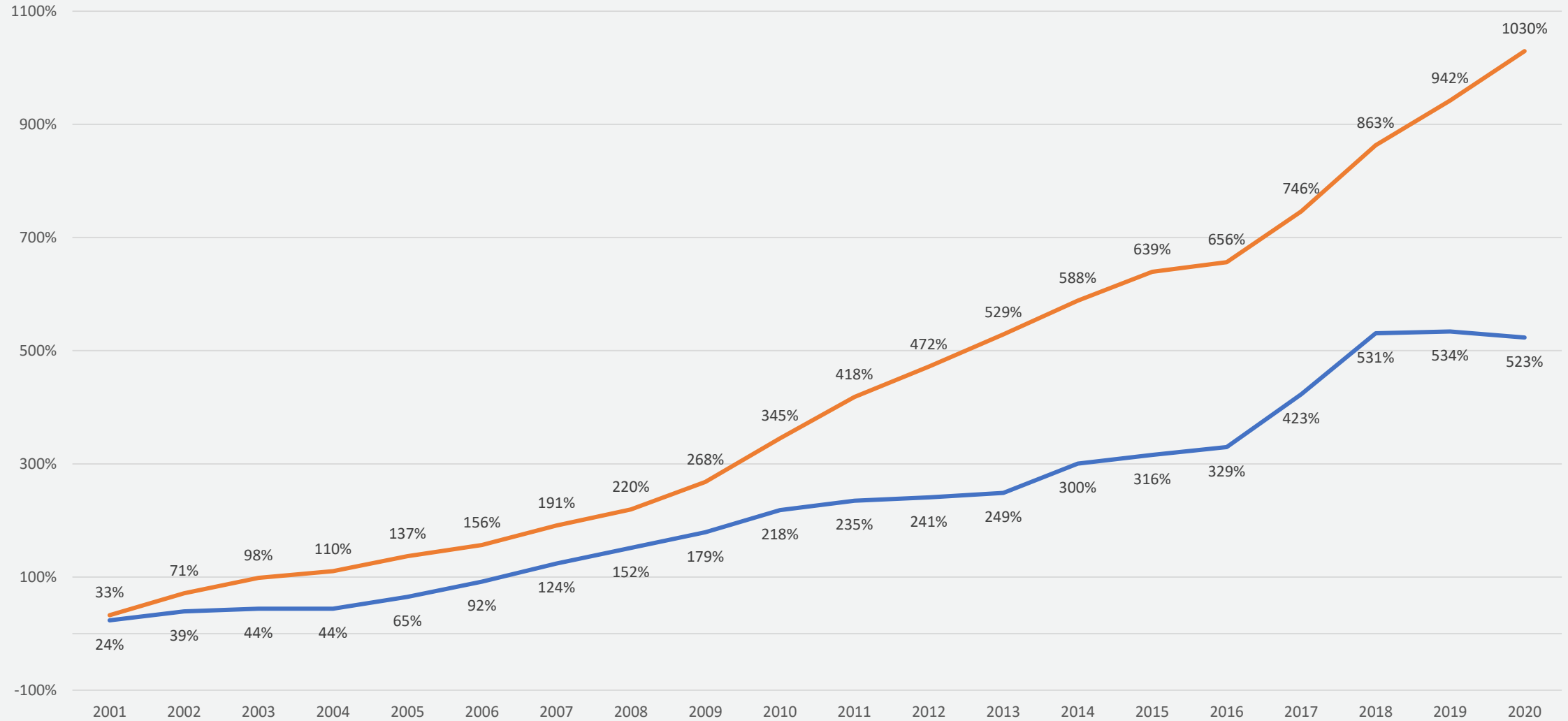
Includes grandfathered/legacy plans. Enrollment reported as of 3/31 except for 2013 & 2014 is year end.

Carrier Profitability

| Underwriting Gain/Loss (millions) | | | | | | |
|-----------------------------------|--------|---------|----------|----------|----------|----------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Small Group | \$6.5 | (\$5.0) | \$2.5 | (\$19.3) | (\$18.2) | (\$39.1) |
| Individual | \$11.9 | \$2.2 | (\$51.8) | (\$57.2) | \$2.5 | \$81.9 |
| Total | \$18.4 | (\$2.8) | (\$49.3) | (\$76.5) | (\$15.7) | \$42.8 |

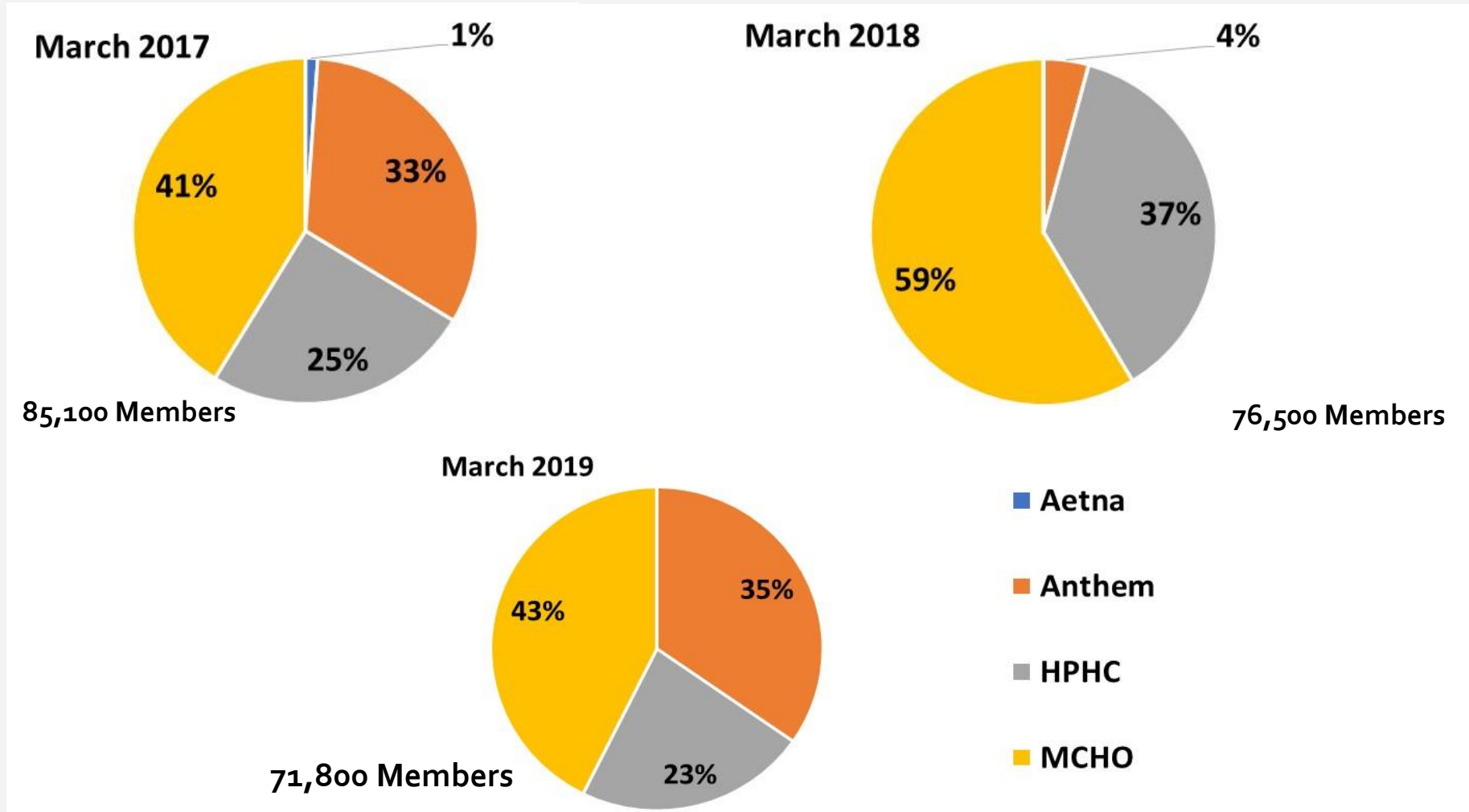
AVERAGE CUMULATIVE RATE INCREASES 2000-2020

— Individual — Small Group



Individual Market in Maine

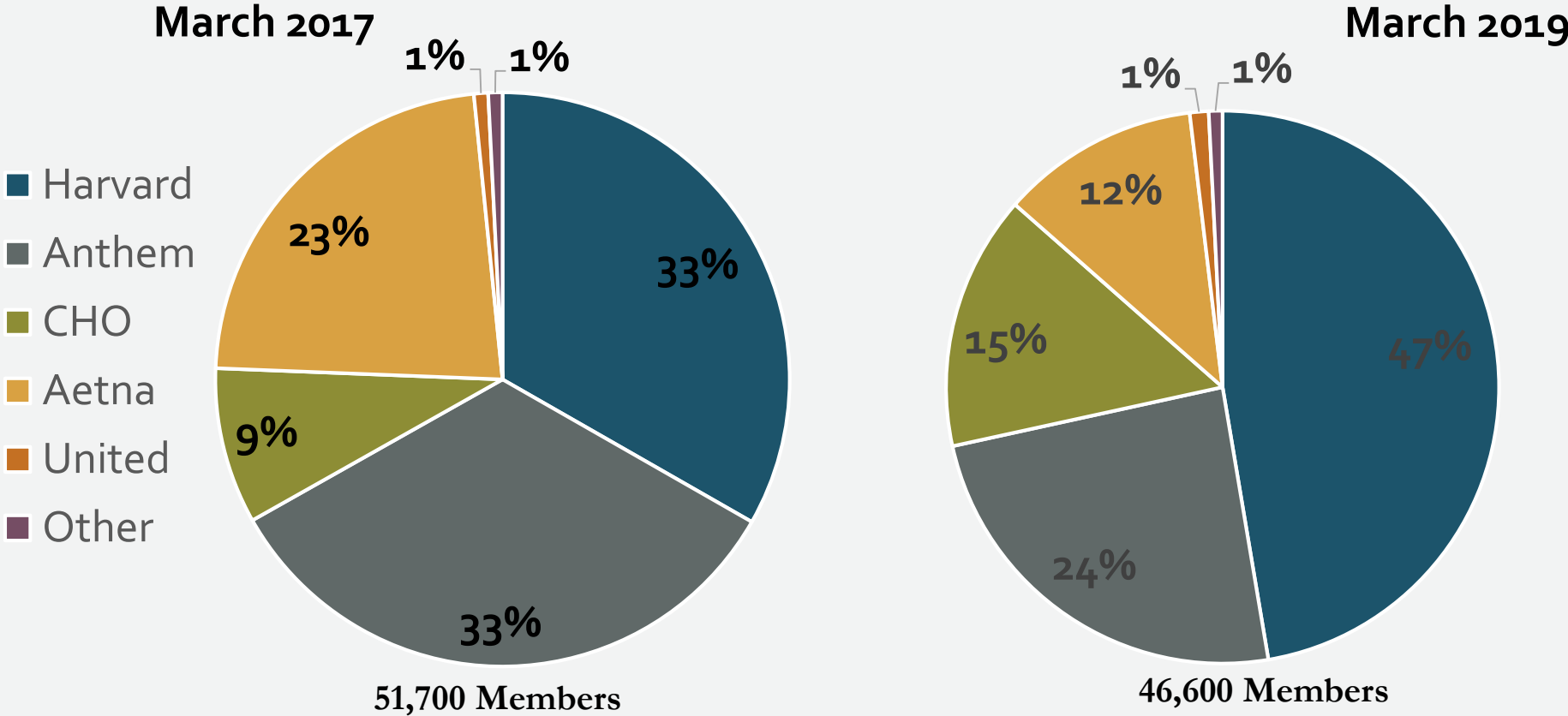
Distribution by Insurer of Individual Market Membership



Source: Maine Rule 940 Reports. Grandfathered/legacy plans not included.

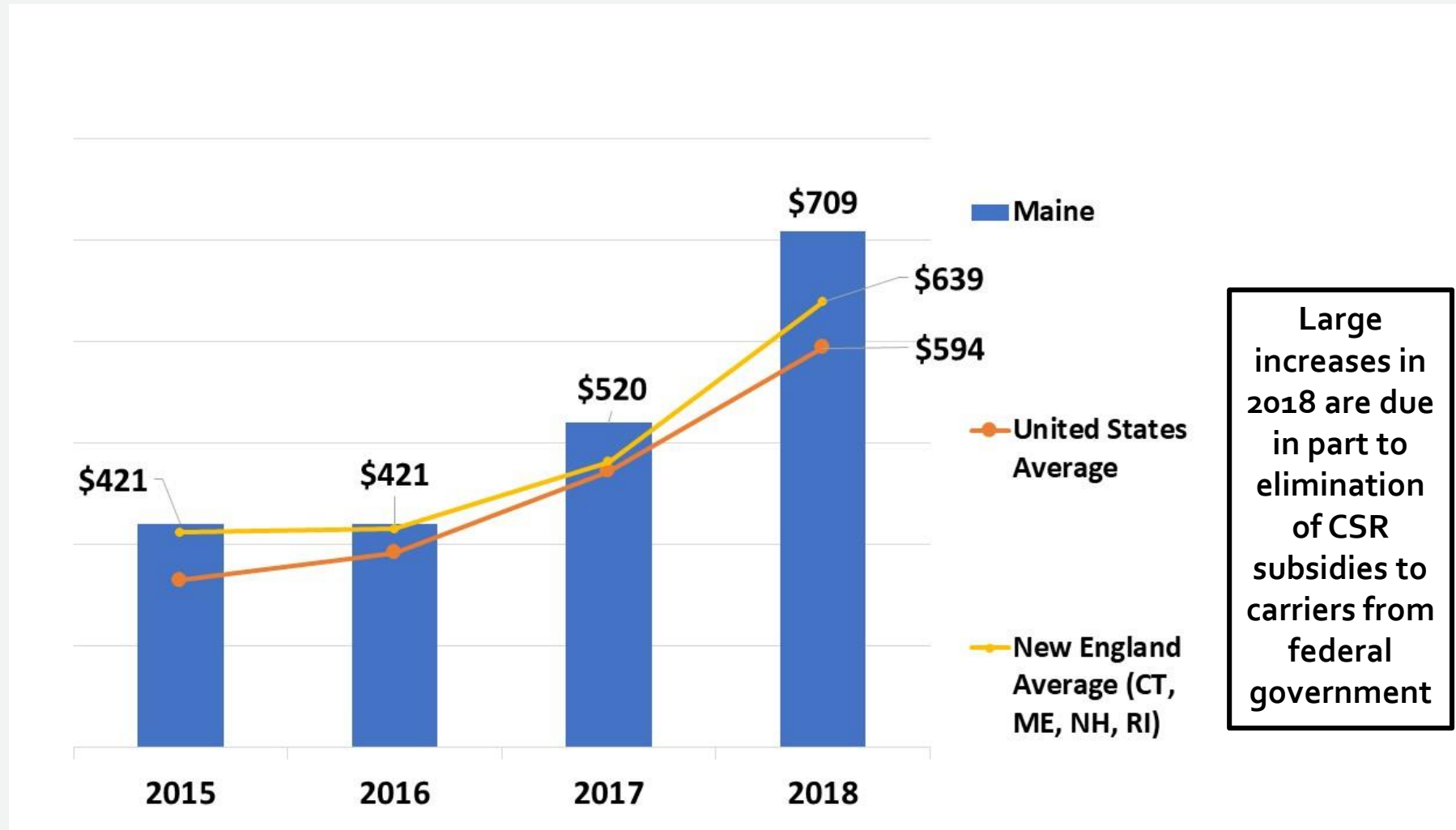
Small Group Market in Maine

Distribution by Insurer of Small Group Market Membership

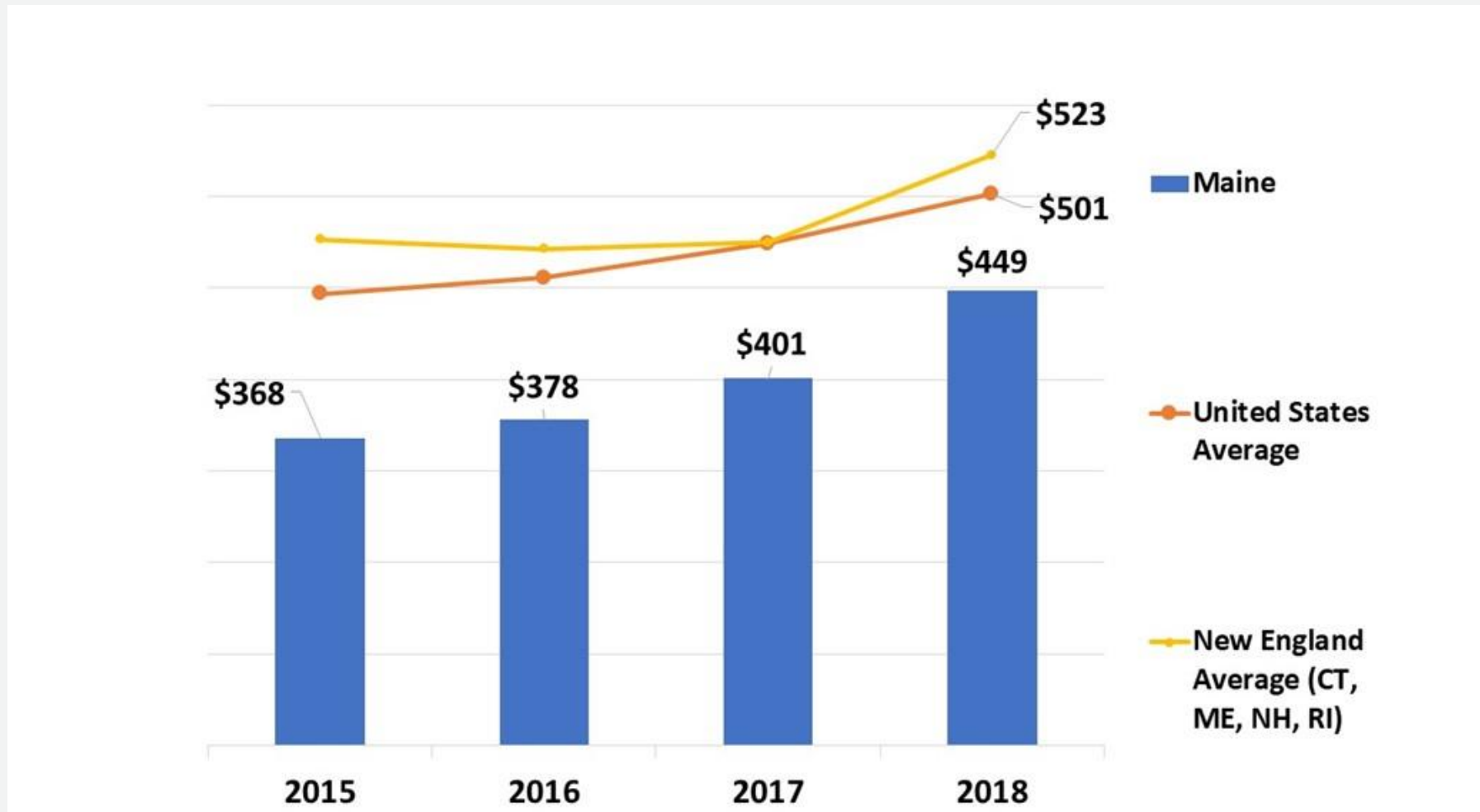


Source: Maine Rule 940 Reports. Source: Maine Rule 940 Reports. Excludes members labeled as Transitional which represent the Maine Education Association Benefits Trust. "Other" are grandfathered/legacy plans.

Average PMPM Premiums in the Individual Market

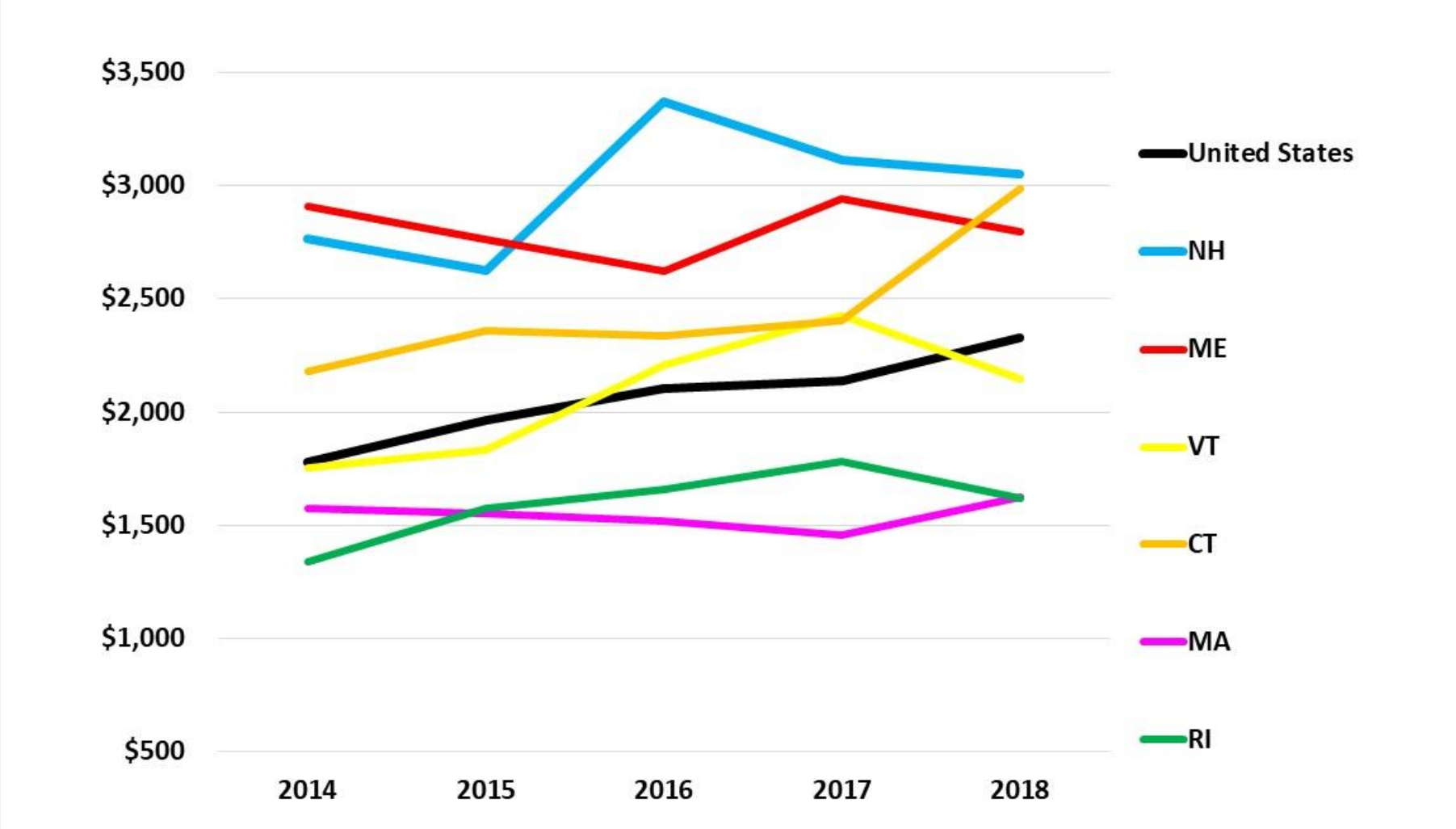


Small Group Market Average PMPM Premium



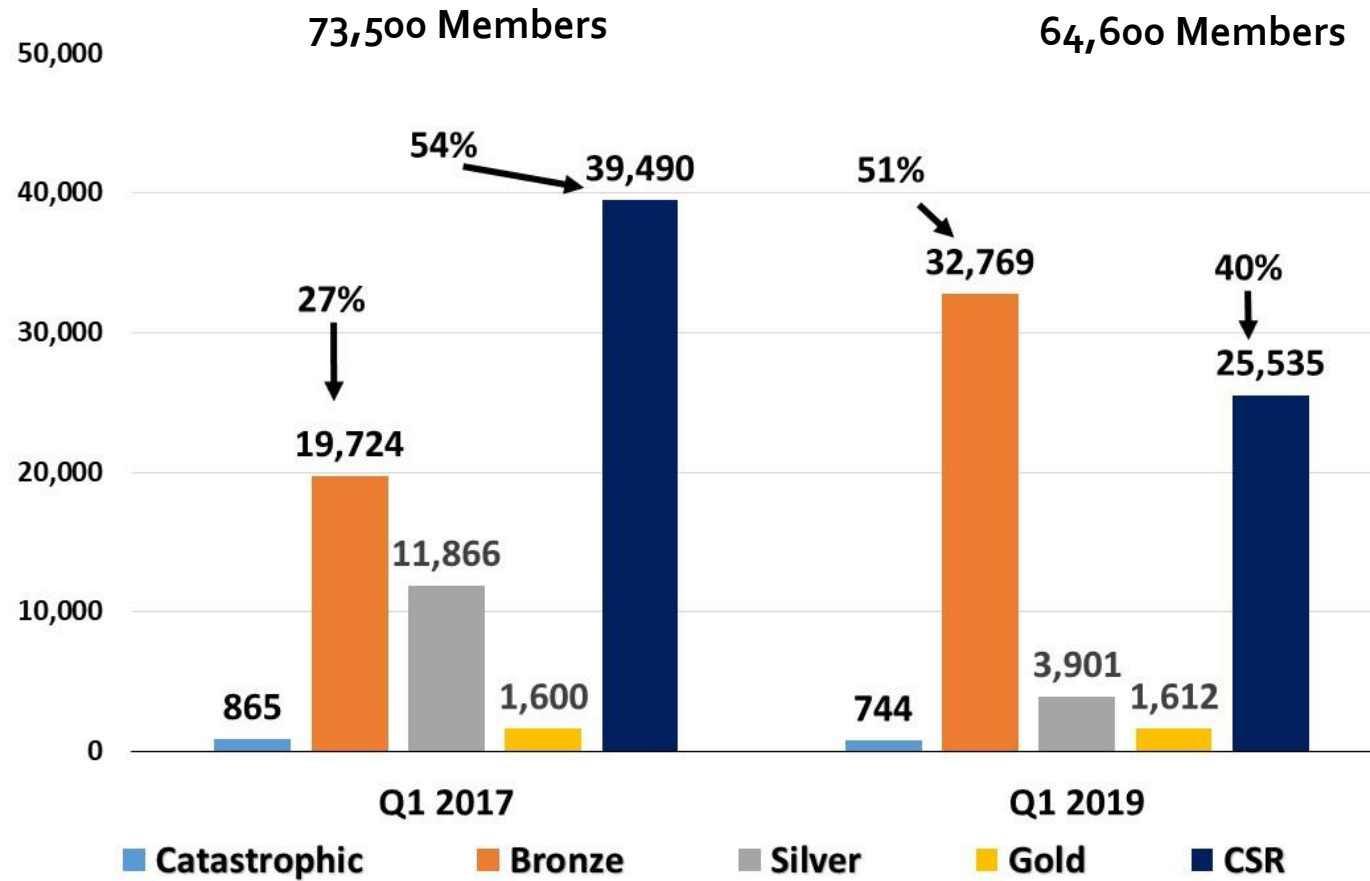
Source: Centers for Medicare and Medicaid Services. Risk Adjustment Report Appendix A for 2015, 2016, 2017, 2018 benefit years.
<https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/index.html>.

Small Group Market Average Deductibles

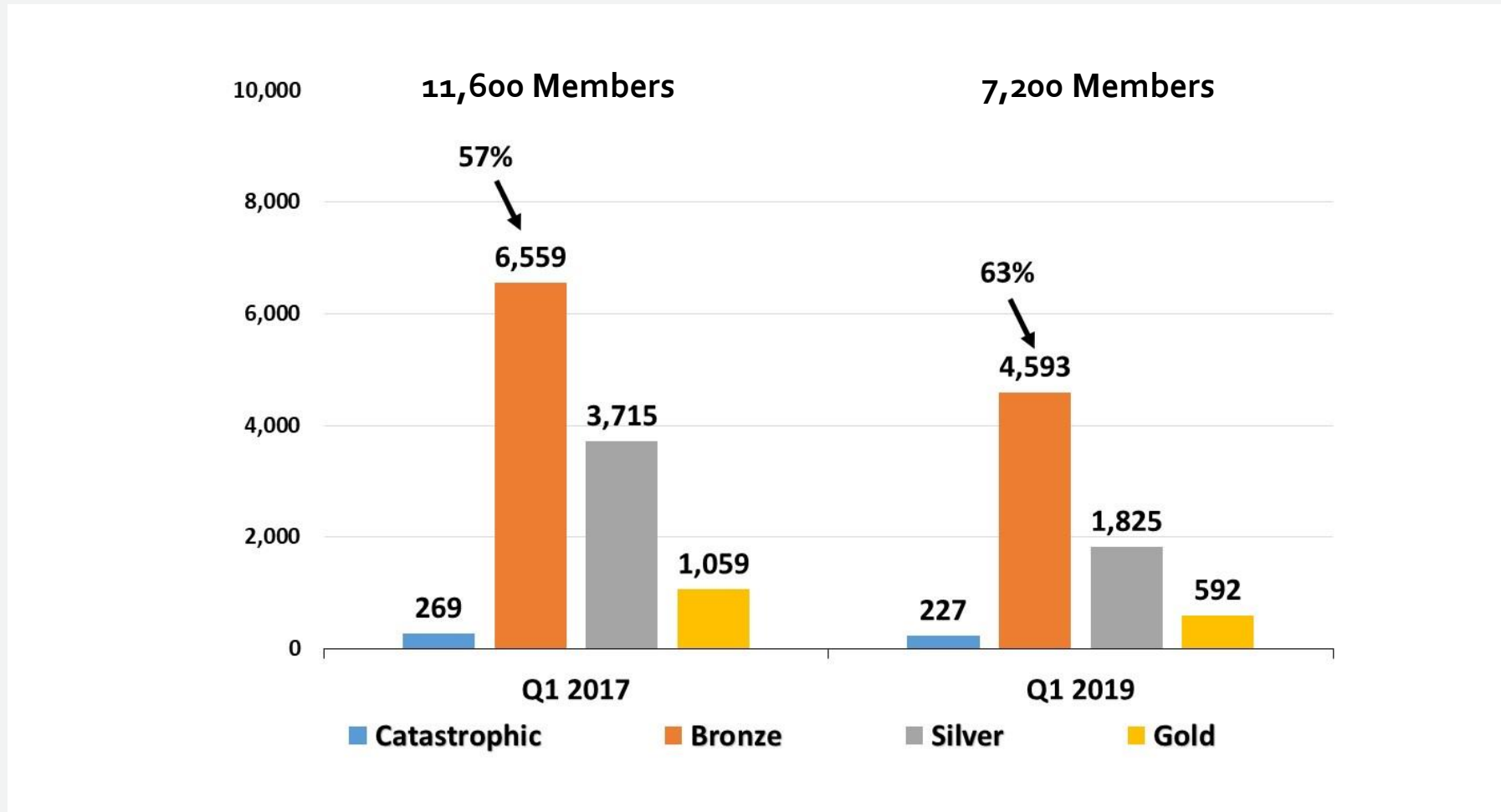


Source: Medical Expenditure Panel Survey (MEPS); <https://meps.ahrq.gov/mepsweb/index.jsp>.
 Table II.F.2 Average individual deductible (in dollars) per employee enrolled with single coverage in a health insurance plan that had a deductible at private-sector establishments by firm size and State: United States, 2014- 2018.

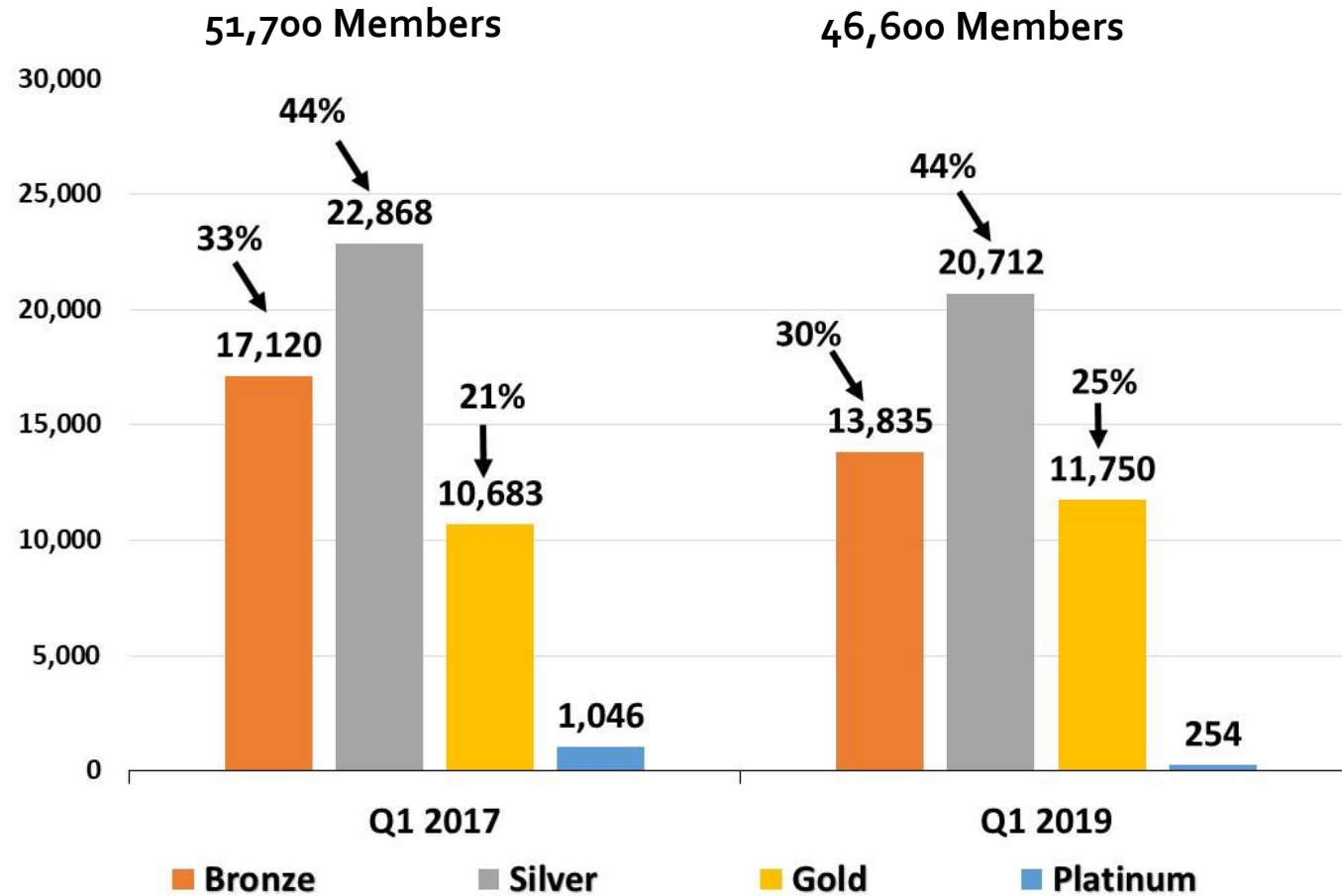
Individual On Exchange Market Distribution



Individual Off Exchange Market by Metal Level



Small Group Market by Metal Level



Source: Maine Rule 940 Reports. Excludes members labeled as Transitional which represent the Maine Education Association Benefits Trust.

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION (MGARA)

- Purpose: stabilize and reduce premiums in individual market; encourage participation (or continued participation) of carriers
- ACA Section 1332 “State Innovation Waiver” application
- Restart: 1/1/2019
- Partially funded with Federal pass-through dollars

Federal Transitional Reinsurance Program

ACA provided a national transitional reinsurance program which operated from 2014-16.

Due to substantial overlap between the federal and state programs, MGARA's active operations were suspended effective January 1, 2014.

Why Maine Re-launched MGARA

Although many individual market consumers were insulated from rate increases...

- Federal tax credits are available to individuals with income up to 400%FPL
- 85% (2018) On-Exchange consumers eligible to access federal tax credits to offset their premium expenses
- For these people, rate increases result in higher federal tax credit amounts, not increased consumer costs

...other individual market consumers were seeing significant rate increases

- Incomes over 400% FPL
- Coverage purchased off-Exchange

The Proposal to Re-launch MGARA

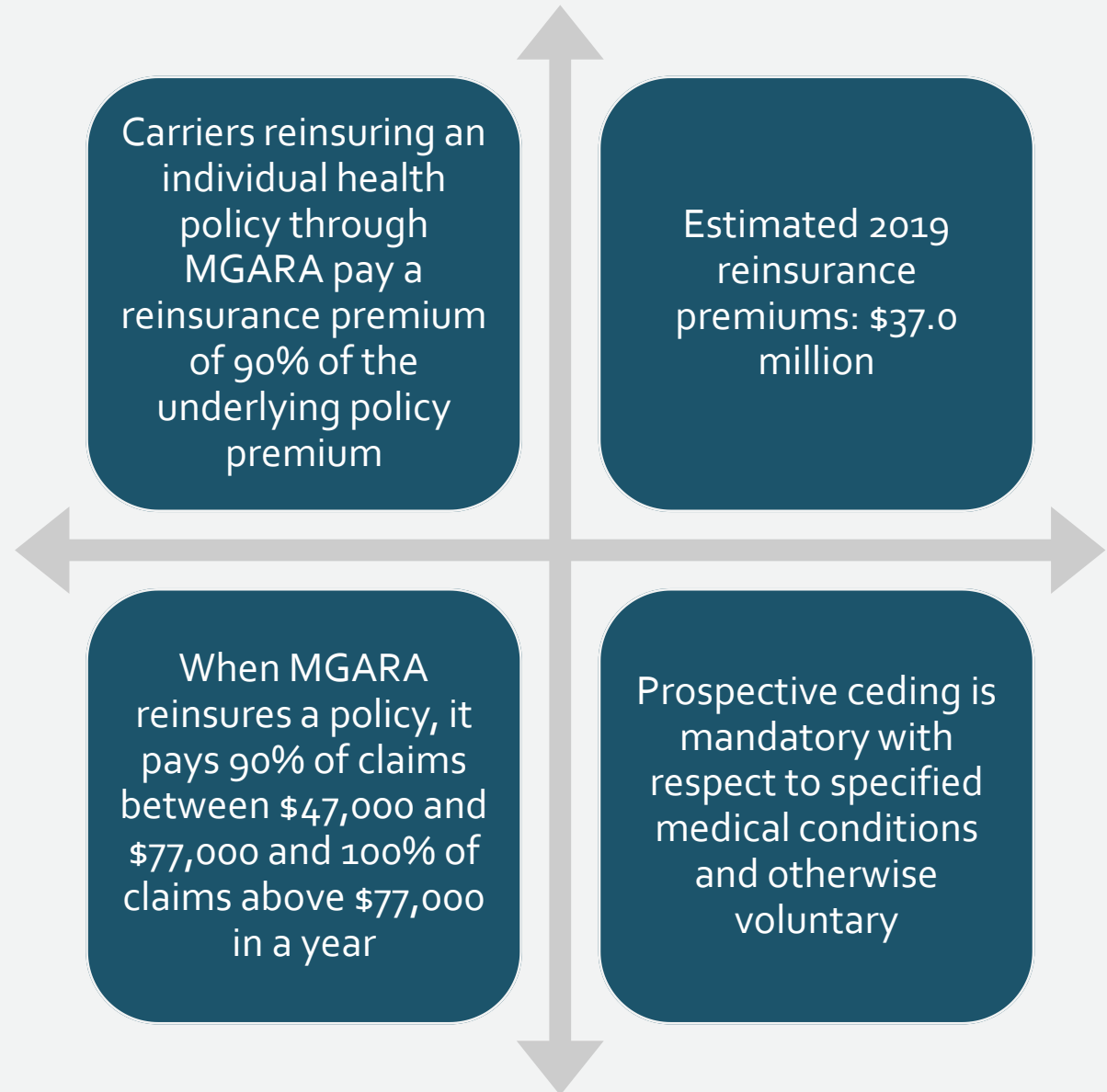
MGARA funded by three sources:

- Reinsurance premiums
- \$4 per person per month assessment on all market segments
- Federal “pass-through” payments

Total 2019 estimated
revenue: \$93 million

Total 2019-2023
estimated revenue:
\$503.6 million

Reinsurance Premiums and Coverage



2020 INDIVIDUAL AND SMALL GROUP RATES

| Individual Rate Filings 2020 - with MGARA | | | |
|--|-----------------|---------|--------|
| Companies | Ave. Rate Incr. | Min | Max |
| Anthem | -2.00% | -7.10% | 6.40% |
| Harvard-HMO | -7.00% | -10.00% | -2.50% |
| Maine Community Health Options | 0.90% | -7.60% | 11.28% |
| | | | |
| Small Group Rate Filings 2020 - with MGARA | | | |
| Companies | Ave. Rate Incr. | Min | Max |
| Aetna Health | 15.90% | 5.89% | 21.21% |
| Aetna Life | 19.00% | 12.55% | 23.64% |
| Anthem | 7.80% | 4.70% | 15.40% |
| Maine Community Health Options | 9.10% | 5.50% | 14.90% |
| Harvard and HPHC | 8.00% | -0.70% | 16.10% |
| United Healthcare | 12.00% | 8.10% | 22.50% |

THANK YOU!

*Maine Bureau of Insurance
34 State House Station
Augusta ME 04333
Phone: 800-300-5000 (TTY: Relay 711)
Fax: 207-624-8599
Email: insurance.pfr@maine.gov*

www.maine.gov/insurance