MAINE’S HEALTH INSURANCE MARKET
Health Insurance Coverage

PERCENTAGE OF POPULATION BY COVERAGE TYPE - 2018

- Employer: 46%
- Medicaid: 17%
- Medicare: 16%
- Uninsured: 7%
- Individual: 6%
- Military: 8%

Source: Kaiser Family Foundation

FULLY INSURED ENROLLMENT - 2018

- Large Group (61%): 196,649
- Small Group (18%): 56,131
- Individual (21%): 68,085

Source: Maine Bureau of
Maine Historical Health Insurance Enrollment

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Small Group</strong></td>
<td>$6.5</td>
<td>($5.0)</td>
<td>$2.5</td>
<td>($19.3)</td>
<td>($18.2)</td>
<td>($39.1)</td>
</tr>
<tr>
<td><strong>Individual</strong></td>
<td>$11.9</td>
<td>$2.2</td>
<td>($51.8)</td>
<td>($57.2)</td>
<td>$2.5</td>
<td>$81.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$18.4</td>
<td>($2.8)</td>
<td>($49.3)</td>
<td>($76.5)</td>
<td>($15.7)</td>
<td>$42.8</td>
</tr>
</tbody>
</table>
AVERAGE CUMULATIVE RATE INCREASES 2000-2020

Individual
Small Group
Individual Market in Maine

Distribution by Insurer of Individual Market Membership

March 2017
- Aetna: 41%
- Anthem: 33%
- HPHC: 25%
- MCHO: 1%
- 85,100 Members

March 2018
- Aetna: 59%
- Anthem: 37%
- HPHC: 4%
- MCHO: 1%
- 76,500 Members

March 2019
- Aetna: 43%
- Anthem: 35%
- HPHC: 23%
- MCHO: 2%
- 71,800 Members

Source: Maine Rule 940 Reports. Grandfathered/legacy plans not included.
Small Group Market in Maine

Distribution by Insurer of Small Group Market Membership

March 2017:
- Harvard: 33%
- Anthem: 9%
- CHO: 12%
- Aetna: 23%
- United: 1%
- Other: 1%

51,700 Members

March 2019:
- Harvard: 47%
- Anthem: 24%
- CHO: 15%
- Aetna: 1%
- United: 1%
- Other: 1%

46,600 Members

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

Large increases in 2018 are due in part to elimination of CSR subsidies to carriers from federal government.

Small Group Market Average PMPM Premium

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

Source: Maine Rule 940 Reports

[Bar chart showing membership distribution by category for Q1 2017 and Q1 2019.]

- **73,500 Members**
  - 54% Catastrophic: 39,490
  - 27% Bronze: 19,724
  - 865 Catastrophic: 1,600

- **64,600 Members**
  - 51% Silver: 32,769
  - 40% Gold: 25,535
  - 3,901 Bronze: 1,612
Individual Off Exchange Market by Metal Level

Source: Maine Rule 940 Reports
Small Group Market by Metal Level

Source: Maine Rule 940 Reports. Excludes members labeled as Transitional which represent the Maine Education Association Benefits Trust.
• 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
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
Carriers reinsuring an individual health policy through MGARA pay a reinsurance premium of 90% of the underlying policy premium.

Estimated 2019 reinsurance premiums: $37.0 million.

When MGARA reinsures a policy, it pays 90% of claims between $47,000 and $77,000 and 100% of claims above $77,000 in a year.

Prospective ceding is mandatory with respect to specified medical conditions and otherwise voluntary.
## 2020 Individual and Small Group Rates

### Individual Rate Filings 2020 - with MGARA

<table>
<thead>
<tr>
<th>Companies</th>
<th>Ave. Rate Incr.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Anthem</strong></td>
<td>-2.00%</td>
<td>-7.10%</td>
<td>6.40%</td>
</tr>
<tr>
<td><strong>Harvard-HMO</strong></td>
<td>-7.00%</td>
<td>-10.00%</td>
<td>-2.50%</td>
</tr>
<tr>
<td><strong>Maine Community Health Options</strong></td>
<td>0.90%</td>
<td>-7.60%</td>
<td>11.28%</td>
</tr>
</tbody>
</table>

### Small Group Rate Filings 2020 - with MGARA

<table>
<thead>
<tr>
<th>Companies</th>
<th>Ave. Rate Incr.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aetna Health</strong></td>
<td>15.90%</td>
<td>5.89%</td>
<td>21.21%</td>
</tr>
<tr>
<td><strong>Aetna Life</strong></td>
<td>19.00%</td>
<td>12.55%</td>
<td>23.64%</td>
</tr>
<tr>
<td><strong>Anthem</strong></td>
<td>7.80%</td>
<td>4.70%</td>
<td>15.40%</td>
</tr>
<tr>
<td><strong>Maine Community Health Options</strong></td>
<td>9.10%</td>
<td>5.50%</td>
<td>14.90%</td>
</tr>
<tr>
<td><strong>Harvard and HPHC</strong></td>
<td>8.00%</td>
<td>-0.70%</td>
<td>16.10%</td>
</tr>
<tr>
<td><strong>United Healthcare</strong></td>
<td>12.00%</td>
<td>8.10%</td>
<td>22.50%</td>
</tr>
</tbody>
</table>