

State of Maine
130th Legislature
Joint Standing Committee on Health Coverage, Insurance and Financial Services
Testimony of Marge L. Kilkelly, MS, CED, on behalf of Maine Primary Care Association
May 12, 2021

Supporting:

LD 1463, "An Act To Make Health Care Coverage More Affordable for Working Families and Small Businesses"

Sponsored by Representative Tepler

Senator Sanborn, Representative Tepler, and members of the Committee on Health Coverage, Insurance and Financial Services, I am Marge Kilkelly, Policy Manager at Maine Primary Care Association (MPCA). MPCA is a membership organization that includes all of Maine's 20 Community Health Centers (CHCs).

Maine's CHCs provide comprehensive medical, behavioral, and dental care for approximately 1 in 6 Maine people. Community Health Centers make up the largest primary care network in the state, and they provide high quality, wide-ranging health care services. They are at the forefront of delivering care to rural and underserved Maine communities, and serve patients regardless of their health insurance status or ability to pay.

Maine Primary Care Association supports LD 1463 and thanks Representative Tepler and the other sponsors for bringing this legislation forward.

The Affordable Care Act (ACA) and Maine's subsequent adoption of expanded Medicaid have made great strides in addressing the crisis of uninsured and underinsured people in Maine.

In 2013, Maine had an uninsured rate of 11.2%.¹ In 2019, that had dropped to 8.1%², but that is still slightly more than 100,000 uninsured Maine people - our neighbors, friends, family, and colleagues.

So why are more people still not enrolled in lifesaving health care coverage? For some, it is a lack of information about their eligibility for programs. For others, it is choosing not to be enrolled, but for many, it is cost.

The 900+ pages of the ACA made health care coverage available to millions, but it is not perfect; one aspect where that imperfection is particularly acute is the "Family Glitch."

Herein lies the problem. Most businesses are required to cover their employees with an affordable coverage plan that is less than 9.83% of the employee's salary.³ However, the glitch in the law does not require the business to offer affordable insurance to the dependents of that employee. And the glitch does not end there; because the company offers family coverage, the dependents are not eligible for a subsidized ACA plan because they are considered "eligible" for family coverage - even though it is not affordable.

¹ <https://www.americashealthrankings.org/explore/annual/measure/HealthInsurance/state/ME>

² <https://www.statista.com/statistics/238762/health-insurance-status-of-the-total-population-of-maine/>

³ <https://www.lcwlegal.com/news/irs-announces-aca-affordability-percentage-for-2021/#:~:text=For%202021%2C%20the%20premium%20cost,of%20an%20employee's%20household%20income.>

It's a glitch, an unintentional error; these families are not covered through no fault of their own. When mistakes happen in public policy, people are impacted.

Why is this important to LD 1463? Because Maine can follow the lead of several other states, such as Colorado, New Jersey, Maryland, and Delaware, and fix it here and now; in addition, funds are available to reduce the health insurance costs for individuals, families, and small businesses. \$35.5 million would come from having Maine utilize a formula that was imposed in 2014 through the ACA and collected as recently as December 2020 by the federal government.

The unique part of this proposal is that by making the assessment tax deductible to for-profit carriers, they will pay less than they did in December 2020 under the federal plan. This legislation will actually create a situation where the federal government will "fund" part of the correction to the Family Glitch and other aspects of unaffordability that were created in the ACA.

Passage of this legislation will assist Mainers in accessing affordable health coverage, and as the number of people insured through the Marketplace increases, additional federal pass-through funds will be available for the Maine Guaranteed Access Reinsurance Association (MGARA) reinsurance program, which will reduce premium rates for individuals who do not qualify for subsidies and small businesses.

On behalf of the patients, staff, and volunteers at Maine's Community Health Centers, we urge passage of LD1463.

Thank you for considering our comments, and please do not hesitate to contact me directly at mkilkelly@mepca.org with any follow up questions.

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