



Maine Medical Association

Charles F. Pattavina, MD, President | Jabbar Fazeli, MD, President-Elect | Robert J. Schlager, MD, Chair, Board of Directors
Gordon H. Smith, Esq., Executive Vice President | Andrew B. MacLean, Esq., Deputy Executive Vice President & General Counsel

August 4, 2017

Eric Cioppa, Superintendent
Attn: Shari L. Gregory, Docket No. INS-17-1000
Bureau of Insurance
Department of Professional & Financial Regulation
State House Station 34
Augusta, Maine 04333-0034

**RE: ANTHEM BLUE CROSS AND BLUE SHIELD 2018 INDIVIDUAL RATE FILING
DOCKET NO. INS-17-1000**

Dear Superintendent Cioppa:

I am writing to express the Maine Medical Association's (MMA's) concerns with Anthem's rate filing listed above. The MMA is a professional organization representing more than 4000 Maine physicians, residents, and medical students whose mission is to support Maine physicians, advance the quality of medicine in Maine, and promote the health of all Maine citizens. Our comments on this rate filing are from the perspective of our physician members and the patients they serve as well as a small group health insurance policyholder of Community Health Options (CHO). I acknowledge that MMA is not immersed in the technical aspects of this proceeding and offer policy arguments for your consideration.

The MMA has expressed concern about the negative effect on physicians and their patients of continually concentrating market power of health insurance carriers through for-profit conversions and mergers from the conversion and sale of Blue Cross Blue Shield of Maine nearly twenty years ago through the recent Anthem/CIGNA and Aetna/Humana merger proceedings. We consistently have advocated that policymakers develop public or quasi-public alternatives to the health insurance market's dominant large, for-profit carriers. These efforts have included urging the Maine legislature to use funding from the Blue Cross Blue Shield of Maine conversion to establish a quasi-public, state-based, non-profit insurance carrier modeled on the Maine

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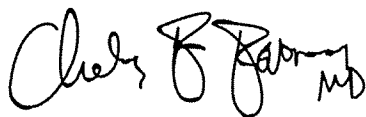
Employers Mutual Insurance Company (MEMIC) in workers' compensation, supporting the Dirigo Health Program, and advocating that the Affordable Care Act (ACA) include a "public option." While the "public option" did not survive the Congressional debate of the ACA, the enacted law does include the COOP concept and we believe that Maine's health insurance purchasers are fortunate to have Community Health Options (CHO) as a choice for their health insurance coverage, particularly in the individual insurance market. The MMA believes that public or quasi-public alternatives to the dominant carriers in the market provide at least a modest counterweight to them.

With this background, the MMA supports the analysis and closing argument of the Attorney General in her letter of July 31, 2017. Given Anthem's strong financial position demonstrated by the evidence in this proceeding, MMA agrees that the Superintendent should limit Anthem's pre-tax profit and risk margin to 3% or less, rather than the 4.5% requested. MMA members would be particularly offended by Anthem's payment of dividends to its parent company of \$19.1 million in 2015 and \$22.1 million in 2016, sums extracted from Maine's health care system just as MMA feared during the conversion and sale of Blue Cross Blue Shield of Maine (Attorney General's Closing Argument, July 31, 2017 at 3).

Given MMA's strong belief that Maine consumers would benefit from having a financially viable alternative to the dominant carriers in the market, we have grave concerns about aspects of the Anthem rate filing that would unfairly disadvantage Community Health Options or any other potential public, quasi-public, or non-profit entrant into the Maine market. In this regard, we share the concerns of Community Health Options expressed in its letter of July 31, 2017 and the Attorney General's argument about Anthem's non-CSR funded alternative filing articulated in her Closing Argument (Attorney General's Closing Argument at 4-5).

Thank you for considering the MMA's concerns in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles F. Pattavina, M.D." with a stylized flourish at the end.

Charles F. Pattavina, M.D., President