



53 Baxter Boulevard, Suite 202 | Portland, ME 04101
Phone: 866-554-5380 | Fax: 207-775-5727 | TTY: 877-434-7598
aarp.org/me | me@aarp.org | twitter: @aarpmaine
facebook.com/aarpmaine | instagram.com/aarpme

January 10, 2022

Testimony in favor of LD 1778 An Act To Improve Health Care Affordability and Increase Options for Comprehensive Coverage for Individuals and Small Businesses in Maine

Greetings, Chairs Sanborn and Tepler and Honorable Members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services,

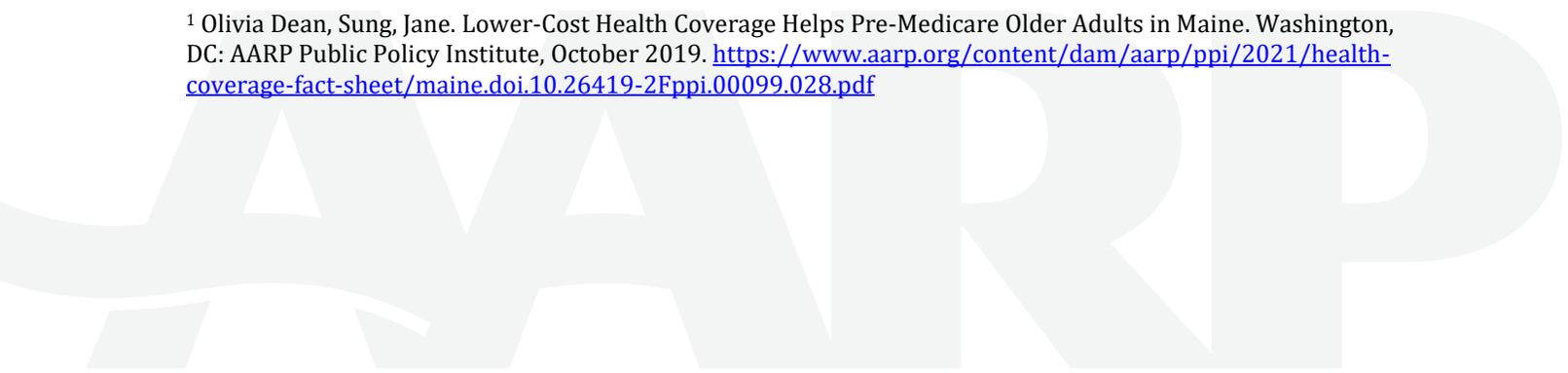
I am Pamela Corcoran, a volunteer with AARP Maine. AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age.

On behalf of our more than 200,000 members statewide, thank you for the opportunity to share my testimony. I am a resident of Belfast and a current MaineCare recipient due to the expansion option available to me since 2019. Securing affordable health care is critical to balancing my medical conditions and my four prescription drugs. I want to emphasize how essential it is to ensure that affordability remains forefront priority of consideration for older residents in our state.

Today, I am speaking in support of LD 1778: An Act to Improve Health Care Affordability and Increase Options for Comprehensive Coverage for Individuals and Small Businesses in Maine. LD 1778 provides critical directives to the newly established Office of Affordable Health Care to investigate and create needed policy that will seek to advance innovative solutions to unaffordable health care and coverage.

Since the passage of the Affordable Care Act, nearly 12 years ago, fewer older adults (ages 50-64) are uninsured and more are enrolled in nongroup (individual) health insurance coverage. However, many still struggle to afford coverage, including many Mainers, and are concerned about rising costs. A significant portion of older adults receive coverage through an employer plan however in 2019, 31,831 older adults in Maine purchased coverage on their own in the nongroup health insurance market.¹

¹ Olivia Dean, Sung, Jane. Lower-Cost Health Coverage Helps Pre-Medicare Older Adults in Maine. Washington, DC: AARP Public Policy Institute, October 2019. <https://www.aarp.org/content/dam/aarp/ppi/2021/health-coverage-fact-sheet/maine.doi.10.26419-2Fppi.00099.028.pdf>



According to AARP Public Policy Institute's report *Affordability Challenges for Older Adults in the Nongroup Market* from March of 2020, approximately half of older adults in the nongroup market had unaffordable coverage. In the report, unaffordable coverage is defined as coverage with premiums that exceed 10 percent of household income or having out-of-pocket costs that exceed 7 percent.² Further, older adults in the nongroup market are burdened by higher out-of-pocket costs than younger adults (18-49).³

Lack of affordable coverage can have harmful long-term effects; this includes individuals delaying or altogether foregoing care. It can also lead to higher rates of uninsured populations.⁴

Mainers need access to affordable health care coverage. I respectfully urge you to support LD 1778. Thank you for the opportunity to testify today. I would be happy to answer any questions and can be contacted through the AARP Maine office or at 207-272-8563.

Thank you,
Pamela Corcoran
AARP Maine

² Sung, Jane, Olivia Dean, Asha Saavoss, and Robert C. Saunders. Characteristics of Americans Ages 50 to 64 in the Nongroup Health Insurance Market. Washington, DC: AARP Public Policy Institute, March 2020.

<https://doi.org/10.26419/ppi.00099.001>

³ Sung, Jane, Olivia Dean, Asha Saavoss, and Robert C. Saunders. Characteristics of Americans Ages 50 to 64 in the Nongroup Health Insurance Market. Washington, DC: AARP Public Policy Institute, March 2020.

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