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Health care: For Maine's health care, a positive prognosis

BY WILLIAM HALL

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PHOTO / TIM GREENWAY

Kevin Lewis, president and CEO of Community Health Options

Despite a decline of over 5% from 2018 to 2019 in the number of Mainers obtaining health insurance through the Affordable Care Act, Community Health Options President and CEO Kevin Lewis says he is "cautiously optimistic" about the year ahead.

A total of 71,577 residents enrolled in 2019 ACA coverage by the deadline, compared to 75,089 who enrolled in 2018 plans under the federal program.

Lewis believes CHO, a nonprofit insurer offering a dozen ACA plans in Maine, will see a slight decline in members when enrollment data is finalized. That's partly due to the decline statewide, and partly because of the return of Anthem Blue Cross and Blue Shield to the ACA marketplace, bringing the number of insurers to three. (In 2018, only CHO and Harvard Pilgrim Health Care offered ACA plans.)

The falloff in Maine's ACA enrollment mirrors the nationwide decline of 4%, which some experts blame on a lack of promotion of the program.

A ruling in December by a federal judge in Texas that the ACA is unconstitutional has also created uncertainty about the program's future and a "chilling effect" on its public perception, Lewis says.

Insurance costs are an ongoing worry for consumers, he adds, noting that CHO's premiums for 2019 will increase from 2018 by an average of 0.9% across all individual ACA plans. "There's great concern about cost. Health insurance premiums continue to be on people's minds," he says.

Still, he says, "our open enrollment results looks really solid. I'm confident we'll have a good 2019."

"We continue to see a shift toward Bronze (a category of low-cost ACA plans), but people are choosing one of our most benefit-rich Bronze plans," Lewis says. "That tells us people are at least looking beyond premiums."

With Gov. Janet Mills' pledge that Maine will participate in the federal government's expansion of Medicaid benefits under the ACA, Lewis sees another upside for 2019.

"I'm optimistic about Medicaid expansion," he says. "We think it's important for Maine, so that there are no gaps in the health care spectrum and people can get coverage when they need it. And it's better for the overall risk pool."

Grocers and food producers: Increase in minimum wage creates uncertainty for grocers

BY WILLIAM HALL

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PHOTO / COURTESY OF MGPPA

Christine Cummings, executive director of the Maine Grocers & Food Producers Association

holiday shopping season. And Cummings says changes in state and local laws could affect the industry more seriously than fluctuations in seasonal sales.

On Jan. 1, Maine's minimum wage increased from \$10 an hour to \$11, the third increase under a 2016 law enacted by citizens's referendum. The wage will rise to \$12 an hour in 2020, and then will be tied to the annual inflation rate beginning in 2021.

The trade group originally opposed the referendum, but it is now simply concerned that the schedule of wage hikes is too rapid, according to Cummings.

"We're not trying to repeal the vote," she says. "It's just that this is a lot for the business community to swallow, especially in northern Maine."

The law is already forcing some supermarkets and producers to curtail business hours and shorten employee shifts, Cummings adds, and the latest hike may aggravate the situation. She also says her group's members are worried about a proposed Portland ordinance that would require businesses in the city to grant paid sick leave for all workers.

"There's concern that it's a one-size-fits-all approach," without flexible requirements to accommodate small businesses, she says. Some members wonder if other communities will follow Portland's example. "[The proposal] is creating hesitation about 2019, even in other parts of the state."

In addition, Cummings says the trade association's members are keeping "a close eye" on local laws that would tax or ban the use of disposable plastic bags in selling food products. For now, 20 municipalities have such laws, and they're being considered by other cities and towns.

All these factors are making Maine grocers and food producers uncertain about 2019.

"We're not sure how things are going to shake out," Cummings says. "The realities still have to hit home. Check back with us in six months."

Holiday sales are just one bellwether for Maine's grocery stores and supermarkets going into 2019, according to Christine Cummings.

"I'm hopeful that momentum from a strong holiday season will continue into 2019," said the executive director of the Maine Grocers & Food Producers Association, a trade group representing nearly 200 of the state's grocers, supermarkets, food and beverage producers and related vendors.

It's too early to know exactly how these businesses fared in the

Construction staffing: Placement firm sees great potential for state in unlikely employee pool

BY WILLIAM HALL

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PHOTO / TIM GREENWAY

Margo Walsh, founder of MaineWorks

Margo Walsh knows a thing or two about turnarounds. In 2010, she launched her industrial staffing company, MaineWorks, and focused on a seemingly unlikely employee pool — people with substance abuse problems, prison records and other obstacles to re-entering the workforce. Since then, Portland-based MaineWorks has matched hundreds of these men and women with jobs in construction, roadwork, landscaping and other fields.

Now Walsh sees turnaround potential during 2019 in two areas many people feel have long been challenges for Maine: attracting new residents, especially younger ones, and making the state more conducive to business.

With a little encouragement, according to Walsh, people will flock to Maine because they are drawn to the quality-of-life found in its small cities, villages and rural areas.

"[Communities] in Maine are starting to be reinvigorated

because as a society, we crave the vestiges of small-town life. And millennials are feeling that too," she says.

Younger workers, she adds, are accustomed to using technology to work remotely, and are "indifferent" to an employer's physical location. What's more important to them is Maine's lifestyle, plus the chance to do innovative work.

"And there's incredible innovation happening in Maine," she says. "We just need to be inviting younger workers wholly into the state."

Walsh also says she believes Maine can change the perception that doing business here is "cumbersome and expensive." But it's up to the business community to identify and implement practical fixes.

"The willingness to change needs to be directed," she says. "We need to say, 'Here's your chance to get started, what needs to be addressed?'"

One change she suggests is for businesses to consider seeking certified B Corp status, a designation showing they meet high legal standards for their social and environmental performance, accountability and transparency. MaineWorks is currently one of about 2,600 Certified B Corporations throughout the world, and one of four in Maine. (The others are Atayne LLC, of Brunswick; Coffee By Design, of Portland; and Wicked Joe Organic Coffees, of Topsham.)

Walsh, who was part of the **2014 Mainebiz Women to Watch** class, believes the B Corp designation is a way to demonstrate that businesses can be both socially responsible and successful in the year ahead.

"We should be a B Corp state," she says.

Insurance: Clark Insurance's COO is betting on a strong year

BY WILLIAM HALL

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PHOTO / COURTESY CLARK INSURANCE
Jeff Lind, COO at Clark Insurance

Insurance is by definition a calculated risk, so Jeff Lind, COO at Clark Insurance, hedges his bets when he predicts what the year may hold for the state's businesses. Still, he can't help but be optimistic when he explains what his clients tell him.

"Almost universally, we're seeing folks who expect 2019 to be as good as 2018, if not better," says Lind, whose agency employs 110 people and has five offices in Maine.

Lind cites a couple of reasons for the positive predictions. With the state's unemployment rate at a historic low, employers are eagerly hiring — skilled laborers are particularly in demand. And the construction industry, which fuels much Clark's home and business property insurance, continues to appear healthy.

"By all expectations, this will be a positive year [for construction]," Lind says. "There's still demand out there."

Lind says he sees construction projects that died years ago as a result of the recession now returning to life. "The sense of optimism is strong, especially in southern Maine," he adds.

However, he also sees some cause for caution.

The Federal Reserve increased its lending rate four times in 2018, from 1.75% to 2.5%, and the Fed has signaled it will hike the rate to 3% in 2019. The uptick could dampen the enthusiasm for new projects, Lind says.

He's also concerned about two recent attempts to "create income tax reform at the ballot box." He's referring to the failed referendum to implement a surcharge that would have funded universal home care and the 2016 initiative to fund education with a higher tax on incomes above \$200,000, which passed and then was repealed.

Future such attempts could have a negative "pass-through effect" on Maine businesses, Lind says.

And then there are other factors to consider, he adds, including the state's aging demographics, the impact of weather change and storms, and even the development of self-driving vehicles. All could influence the business of Clark and its clients in the 2019. Nevertheless, he says, "This is still a vibrant economy."

Real Estate: Realtor sees 2019 in historical perspective

BY WILLIAM HALL

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PHOTO / COURTESY OF SUE SPANN

Sue Spann, co-owner of RE/MAX Riverside Real Estate Co.

Sue Spann has witnessed good times and bad since she and her husband, Don, opened RE/MAX Riverside Real Estate Co. in 2002. In 2014, she thought the Topsham business “had hit its top end,” with \$125 million in sales.

“But we’ve seen improvement every year since 2012,” she says, citing the 2017 sales total of \$163 million. Now she’s wondering how business can get any better for her 32-broker agency — and for Maine’s real estate market in general. “It’s going to be really hard for it to improve even more,” she says.

But a decade after the Great Recession brought new construction in Maine “to a grinding halt,” she’s excited by its resurgence. “I love seeing the increase in new construction [Maine] is experiencing. That’s a sign of a healthy market,” Spann says.

She feels the Brunswick area is particularly well-poised to meet the demand for Maine real estate. The Portland market faces a “critical shortage” of inventory, she says, while new properties — such as hundreds of homes at Brunswick Landing, the redeveloped Navy air base — are coming online. “We see that people are appreciating the value of Brunswick, with its schools, a 30-minute commute to Portland, and the quality of place here,” Spann says.

But is there a danger that Maine real estate is in the midst of another bubble that will burst, perhaps in the coming year? “I don’t see that,” says Spann. Unlike previous boom-and-bust cycles, she believes the current real estate market will withstand fluctuations in supply and demand. “This market can take care of itself. I see it being strong and balanced in 2019,” she says.

Spann has a wait-and-watch attitude about how Gov. Janet Mills might affect Maine’s real estate industry or the economy as a whole. But with nearly two decades of real estate experience, Spann tries to keep such unknowns in perspective. “I choose not to look for doom and gloom,” she says. “And these days, how can you look at (Maine real estate) with anything other than optimism?”