



*Quality is Our Bottom Line*

**Labor Committee Public Hearing  
Tuesday, February 20, 2007**

**Connecticut Association of Health Plans  
Testimony in Opposition to**

**HB 6678 AA Increasing the Availability of Health Care for Connecticut Workers.**

The Connecticut Association of Health Plans respectfully urges the Committee's rejection of HB 6678 AA Increasing the Availability of Health Care for Connecticut Workers.

Setting in statute a particular medical loss ratio (MLR) would have a negative impact on the overall insurance market. Health plans need financial flexibility in terms of developing benefit and product designs that meet the individual needs of their customers. Depending on the size of the group insured, administrative costs may vary. The larger the group, the more dispersed the administrative costs.

That is not to say, however, that administrative costs are bad. Disease management of conditions like diabetes or asthma fall under the category of administrative costs, as do technology improvements that enhance the infrastructure of health plan administration. Both examples, ultimately improve the delivery of health care to consumers. However, the investments that must be made in these areas may require health plans to front-end the expenditures so that the results can be seen in the out-years. Requiring that health plans abide by a statutory MLR will not only inhibit such innovations, but will also drive up costs in the long run.

We respectfully urge your opposition to HB 6678 and thank you for the opportunity to comment.