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March 15, 2007



**Statement of
Anthem Blue Cross & Blue Shield of Connecticut
On
SB 1127 An Act Concerning The Charter Oak Health Plans And Health Care Access**

Good Morning Senator Harris, Representative Villano and members of the Human Services Committee. I appreciate the opportunity to speak to you today about **SB 1127 An Act Concerning The Charter Oak Health Plans And Health Care Access**. We believe that this bill is a very important part in solving the uninsured crisis in Connecticut and we offer the attached thoughts on SB 1127 in more detail.

Connecticut, like many states, is facing a myriad of problems in the field of health care, including needed funding increases in Medicaid programs to expand eligibility, ever increasing health care costs for employers, particularly small business, and lack of quality incentive programs to educate and encourage business leaders to offer insurance to employees. Anthem Blue Cross and Blue Shield, and our parent company, Wellpoint, realize that the issue of the uninsured in America and making healthcare more affordable are on the forefront of policy makers minds and we believe as the largest health insurer in Connecticut and in America we have a duty to be part of the dialogue that seeks to address and solve these issues. I might also add that Wellpoint has issued its own proposal to address the uninsured problem in America and I have attached those documents to my testimony.

As the number of uninsured Americans has grown, the entire health care system has suffered. The costs incurred by uninsured Americans in public hospitals, clinics, and emergency rooms are typically passed on to state governments and, ultimately, to taxpayers. Similarly, providing care to these individuals forces hospitals and other providers to compensate by increasing the prices they charge to the insured population, which leads to higher premiums for health plan members.

To address the problem of the uninsured we must first consider *why* 200,000 to 300,000 Connecticut residents lack coverage. Nationally, approximately 45 percent of the uninsured are either eligible for, but not enrolled in, public programs or voluntarily choose not to purchase coverage, whereas the remaining 55 percent simply cannot afford private insurance. To reach all of these groups, it will require a concerted effort between the state government and insurers like Anthem Blue Cross and Blue Shield in Connecticut. During this legislative session, the State of Connecticut, Connecticut insurers and Connecticut providers have a unique opportunity to make health insurance available to thousands of Connecticut citizens for the first time. To do so, we will need to blend the significant reach of our state government with the efficiency of the private market. Only if we share this monumental challenge will we be able to overcome it.

We look forward to working with the Legislature and the Administration on this legislation and I thank the Committee for its time and attention and for the opportunity to speak to you today.

Our plan is to keep you healthy.SM

We Applaud The Governor And Offer The Following Suggestions of Anthem Blue Cross and Blue Shield on HB 6652

- If this legislation were to go forward, Anthem Blue Cross and Blue Shield believes it would be beneficial to see a mechanism in place to monitor how plans and/or the state make sure individuals are compliant with the 6 month previously uninsured requirement. (Section 1)
- Anthem is concerned about the disclosure language in Section 2 (e) which would require the managed care organizations who bid on the HUSKY and Charter Oak Plans to have all information disclosed under the Freedom of Information statutes. While the Legislature is aware that we are in active litigation on this issue for the HUSKY plan we are adamantly opposed to have this a statutory requirement for the Charter Oak plan. We strongly believe in transparency but we also believe there are elements of how we administer health benefits that are proprietary and confidential.
- If the legislation were to go forward, Anthem Blue Cross and Blue Shield would like to point out our experience in other states where guarantee issue is part of the individual market, as this product does. The best example is Maine, where premium increases are in the very high double digits for those consumers because of the guarantee issue component. Generally, it has been Anthem's experience that premiums can rise as much as 50% for individual markets that have guarantee issue.
- We look forward to working with the Legislature and the Administration on our concerns as this program is fully developed and being able to help in solving the uninsured problem in Connecticut.