



Quality is Our Bottom Line

**Public Health Public Hearing
Wednesday, March 12, 2008
Testimony on behalf of the
Connecticut Association of Health Plans**

On behalf of the Connecticut Association of Health Plans, we respectfully urge the Committee to take no action with respect to the following bills:

- **SB 654** AAC The Availability of Prescribed Antiepileptic Drugs
- **HB 5902** AAC Hospital Staffing and Patient Access to Deep Sedation and General Anesthesia. (Section 2&3)

Mandates, such as that provided under HB 5902, must be considered in the context of the larger debate on access and affordability of health care and while SB 654 is not technically an insurance mandate, its effect, too, will be felt. Both the General Assembly and the Administration have pledged, again, this year to address the needs of the approximately 400,000 Connecticut residents who lack health insurance coverage. As we all know, the reasons people go without insurance are wide and varied, but most certainly cost is a major component and there is no question that cost will be added to the system if the above proposals are adopted. As you discuss the proposals above, please consider the following:

- Connecticut has **49 mandates, which is the 5th highest** behind Maryland (58), Virginia (53), California (51) and Texas (50). The average number of mandates per state is 34. (OLR Report 2004-R-0277 based on info provided by the Blue Cross/Blue Shield Assoc.)
- For all mandates listed, the total cost impact reported reflects a range of **6.1% minimum to 46.3% maximum**. (OLR Report 2004-R-0277 based on info provided by the Dept. of Insurance)
- State mandated benefits are generally not applicable to employers (generally large employers) that self-insure their employee benefit plans. **Small employers bear the brunt of the costs**. (OLR Report 2004-R-0277)
- The National Center for Policy Analysis (NCPA) estimates that **25% of the uninsured are priced out of the market by state mandates**. A study commissioned by the Health Insurance Assoc. of America (HIAA) and released in January 1999, reported that "...a fifth to a quarter of the uninsured have no coverage because of state mandates, and federal mandates are likely to have larger effects. (OLR Report 2004-R-0277)
- **Mandates increased 25-fold over the period, 1970-1996, an average annual growth rate of more than 15%**. The Health Insurance Portability & Accountability Act

(HIPAA) alone will add billions of dollars in new compliance costs to the healthcare system. (PriceWaterhouseCoopers: The Factors Fueling rising Healthcare Costs- April 2002)

- National statistics suggest that **for every 1% increase in premiums, 300,000 people become uninsured.** (Lewin Group Letter: 1999)
- “According to a survey released in 2002 by the Kaiser Family Foundation (KFF) and Health Research and Educational Trust (HRET), employers faced an average **12.7% increase in health insurance premiums** that year. A survey conducted by Hewitt Associates shows that employers encountered **an additional 13% to 15% increase in 2003.** For 2004, the outlook is for more double-digit increases. **If premiums continue to escalate at their current rate, employers will pare down the benefits offered, shift a greater share of the cost to their employees, or be forced to stop providing coverage.”** (OLR Report 2004-R-0277)

With respect to Sections 2 and 3 of HB 5902, we presume their genesis relates to recent press accounts regarding a proposed policy by one Connecticut insurer to address the medical necessity of an anesthesiologist's services during routine upper and lower endoscopic procedures, such as a colonoscopy, in the hopes of bringing best practices to bear in Connecticut. I just want to state for the record that after intensive discussions with local physicians and others, that the insurer of note has decided to delay implementation of such measures until patient-friendly alternatives are approved by the Food & Drug Administration (FDA) and are available in the marketplace. The direction taken under HB 5902 to legislate medical practice in the area of anesthesia is, we believe, ill conceived. Technology and treatment are advancing at a rapid speed, and we respectfully request that the Committee refrain from statutorily requiring specific levels of care when new processes are on the brink of development.

As the state moves forward with its plan to provide all residents with access to health insurance coverage, consideration of new mandates must be part of the discussion. The fact that over 10 new mandates, some clinical and some administrative in nature, are under consideration in the legislature today argues for a caution and we ask that you reject sections 2 and 3 of HB 5902.

We thank you for your consideration.