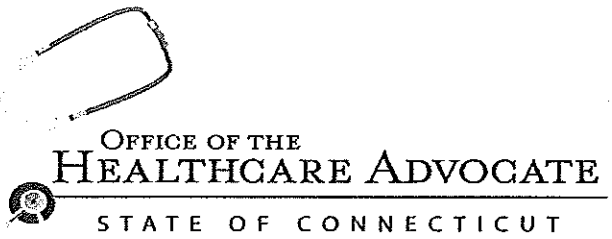

5018

Testimony of Kevin Lembo, State Healthcare Advocate
Before the Insurance and Real Estate Committee
In Support of H.B. 5018
February 3, 2009

Good morning Senator Crisco, Representative Fontana, Senator Caligiuri, Representative D'Amelio and members of the Insurance and Real Estate Committee. For the record, I am Kevin Lembo, the State Healthcare Advocate. My office is an independent state agency with a three-fold mission: assuring managed care consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health insurance plans; and, informing you of problems consumers are facing in accessing care and proposing solutions to those problems.

I submit this testimony in favor of HB 5018, AN ACT REQUIRING a COST-BENEFIT ANALYSIS OF HEALTH INSURANCE BENEFITS MANDATED IN THIS STATE. My office has long supported an independent cost-benefit analysis of the consumer protections, often referred to as mandates, included in the health insurance statutes. As part of a larger discussion on healthcare reform, this type of analysis would be helpful. The mechanism described in the summary of this bill requires the establishment of an independent working group to conduct a cost-benefit analysis of existing health insurance benefits mandated in Connecticut and a cost-benefit analysis to be conducted prior to the implementation of any new health insurance mandate. Much will depend on how the words "cost" and "benefit" are defined. I hope you will consider that these terms reflect more than actual monetary savings and expenses. Benefits may be weighed in terms of health outcomes, while their costs may be weighed in more than just dollars.

I would ask for two clarifications on this bill. First, the analysis of the costs and benefits should be strictly advisory to the General Assembly. Second, since this analysis is an academic pursuit, it might best be conducted in that environment.

On the whole, it is fair to say that consumer protections enacted in statute are a reflection of the state's public policy to ensure coverage for medically necessary care. One of the failures of our system is the fragmentation of healthcare coverage. We need to take a different view; that for our healthcare system to be successful, all medically

necessary care should be covered. So while I support the concepts of HB 5671, HB 5672, SB 290 and SB 458 that require the coverage of medically necessary prosthetic devices, hearing aids, bone marrow testing services and prescribe the reporting of breast density results from mammography testing services, it is important that we move away from coverage for individual diagnoses or procedures and move to a more balanced approach of covering all medically necessary care. Under this approach insurers will still have utilization management tools available to ensure that only medically necessary care is covered.

I support SB 763 and SB 765. SB 763 removes an unfair barrier to the challenge of an insurer's unfair practices. The remedies of CUIPA should be easier for consumers and providers to access directly. This legislation would finally override case law that prohibited an individual right of action under CUIPA. SB 765 is overdue legislation that will correct problems faced by providers and consumers when rental networks use contractual relationships with third parties to sharply reduce reimbursement to providers and increase out-of-pocket costs to consumers without the provider's or consumer's knowledge. My office has handled many of these cases, and the problem is growing.

Lastly, I support SB 6 which would prohibit the imposition of higher copayments on prescription drugs obtained at a retail pharmacy than on those obtained by mail order. While there are good reasons to encourage cost savings on maintenance medications through mail order, this remains a difficult process for many consumers to navigate. Many consumers are taking more than one prescription medication that requires at least one trip to the pharmacy every month. They should not have to pay more for picking up an additional prescription that could have been mail ordered. People who take multiple medications often choose to have all of their prescriptions filled at the same pharmacy for safety reasons – to better track all of their medications. There's no reason not to have both mail-order, which will be convenient for some, and regular pharmacy pick-up for others, offered with the same co-payments.

Thank you for your attention to my remarks. Please contact me at 297-3989 with any questions you might have about my testimony.