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**Statement of
Anthem Blue Cross & Blue Shield of Connecticut
On
HB 5172 An Act Establishing The Connecticut Healthy Steps Program**

Good afternoon, Senator Crisco, Representative Fontana and members of the Insurance and Real Estate Committee. My name is Christine Cappiello and I am the Director of Government Relations for Anthem Blue Cross and Blue Shield in CT. I appreciate the opportunity to speak to you today about **HB 5172 An Act Establishing The Connecticut Healthy Steps Program**.

Anthem Blue Cross and Blue Shield is in favor of the laudable goals sought in HB 5172. Specifically, we support the concepts of tax credits for small employers to be able to afford coverage for their employees; a sliding scale premium subsidy program for low-income individuals; and expansion of the Medicaid Managed Care Program called HUSKY. Further, we are pleased that this legislation creates the Healthy Lifestyles Commission and the Connecticut Healthy Quality Partnership because it brings into the healthcare debate the importance of healthy living and promoting quality in our healthcare delivery system. These are notions that we, at Anthem, have brought into our own membership through 360° Health, which brings together the information and services that our members need to take good care of themselves and their families, and the Quality Hospital Incentives Program, which is a pay for performance hospital program that rewards participating hospitals for meeting certain standards on patient safety.

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. 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* 220,600 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 state governments and insurers like Anthem Blue Cross and Blue Shield in Connecticut.

According to recent statistics, children make up nearly 20 percent of the uninsured population. State programs such as State Children's Health Insurance Program are designed to expand coverage to this group, but chronic under-funding allows too many children to slip through the cracks.

Of course, the government cannot solve this problem on its own. As the figures above illustrate, there are many Americans who have opted out of the health care system for reasons unrelated to their ability to pay. To that end, the health insurance industry must do more to provide Americans with insurance plans that meet their diverse needs and create a bridge to self-sufficiency for individuals who do not qualify for public programs. For example, BlueOptions® Health Care Plan for Small Businesses is aimed at small businesses that have historically been incapable of offering coverage to their employees. Anthem designed and introduced this suite of health plans to provide flexibility for employees with different life circumstances, as opposed to a one size fits all; those looking for lower out-of-pocket expenses; people seeking the ability to get medical care in a wide geography; those willing to assume more risk to maximize tax advantages; and members interested in having access to health and wellness programs to proactively manage their health. In 2006, approximately 380,000 previously uninsured individuals found health care security for the first time through one of Anthem's or its affiliate plans' products. Still, another product solution for Connecticut's uninsured, Tonik, will soon offer lower-cost coverage for 'young invincibles' between 19 and 34 who have aged off their parents health care policies.

During this legislative session, the State of Connecticut, Connecticut insurers and Connecticut providers have a unique opportunity to make health insurance available to millions of Americans 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.