Health Reinsurance Association
100 Great Meadow Road, Suite 704
Wethersfield, CT 06109

5172

Testimony of Karl Ideman to the Insurance and Real Estate Committee
March 2, 2009

Regarding HB 5172: An Act Establishing the Connecticut Healthy Steps Program

My name is Karl Ideman and I am the Administrator of two of the state's well established pooling mechanisms, the Health Reinsurance Association and the Connecticut Small Employer Health Reinsurance Pool.

I have previously provided written testimony on House Bill 5172 where I stated that the boards of these pooling mechanisms continue to be supportive of new and creative initiatives to improve access and affordability in the individual and small employer markets. Having the HRA serve as the administrator of the Connecticut Connector program may be workable and if the Committee does intend to move this bill forward we welcome the opportunity to work with you.

The objective of providing an efficient and economical mechanism to facilitate access to insurance for uninsured individuals and small employer groups makes sense. Achieving the objective can be facilitated if a new infrastructure does not have to be created.

We already have "boots on the ground". Since 2003, we have administered the Federal Health Coverage Tax Credit which now has been increased by the House and Senate to subsidize 80% of the health insurance premium for individuals who have lost their jobs through foreign outsourcing or those who have lost their pensions and are covered by Federal Pension Benefit Guarantee Corporation. Since 1997, we have administered the state's Alternative Mechanism for HIPAA Eligible individuals who have exhausted COBRA. Since 1990 we have administered the most effective NAIC Model Reinsurance Program in the country and my senior staff has had the experience of managing more than 30 similar state programs. We also are currently the administrator for the Maryland Senior Prescription Drug Assistance Program that subsidizes Medicare Part D premium for 29,000 low income seniors.

Also, as I noted in my previous testimony, we are currently in the process of implementing the requirements of P.A. 08-33 and the lessons learned in this program may be applicable if the HRA is asked to play a role regarding the Connecticut Connector program.

I will be pleased to answer any questions you might have.