



6582

Quality is Our Bottom Line

To: Members of the Insurance and Real Estate, Public Health, Human Services and Appropriation Committees

From: Keith Stover
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On Behalf of the Connecticut Association of Health Plans

Re: Raised Bill No. 6582, AA Establishing the Connecticut Healthcare Partnership

As your committees begin the process of contemplating what “reform” might look like in Connecticut, the range of options, and their cost, undoubtedly feels overwhelming. There are, however, a few objective standards we believe ought to be applied to any proposal purporting to be a “reform” idea:

1. Does it make a significant step towards providing access to health insurance for a population experiencing difficulty finding insurance, and does it make access easier and more affordable?
2. Does it appear to provide a reasonable roadmap for economically sustainable “reform,” particularly in the context of our multi-year fiscal hardships?
3. Does it attempt to bring about systemic cost savings?
4. Does it emphasize health and wellness in a way that will enhance health status of Connecticut’s citizens and will, over the long term, enhance the economic viability of our health insurance system?
5. Does it protect and preserve a vital engine of Connecticut’s economy – the health insurance industry?

Sadly, by almost all of these measures, the Connecticut Healthcare Partnership fails:

1. The bill does not find health insurance for a single new individual - the population struggling most with access to affordable comprehensive health insurance. For a small employer seeking more affordable insurance, access to the most expensive health insurance in Connecticut – the state employees plan - is a hollow victory. There is little in the market that’s less affordable than the state employee insurance plan;
2. The bill does not provide any roadmap to sustainable reform; at best, it permits the state, by self-insuring, to enjoy the potential savings of a couple-month claims lag, allows the state to cherry pick risk by picking and choosing which new groups it will permit into the pool – unlike the private market, where there is guaranteed issue, adjusted community rating and a subsidy mechanism for adverse risk;

3. The bill does nothing to bring about systemic cost savings – it relies entirely on the collective bargaining agreement reached by the state and its unions, which, as we are well aware, has resulted in an unsustainable cost and benefit structure. Any cost savings from self-insurance is temporary – the cost of claims is the cost of claims, regardless of whether the risk of paying the claims is borne by and insurer or by the taxpayers of the state;
4. The bill makes no attempt to bring value-based or wellness-based benefits to the state employee pool, and in that way it is a throwback to a health insurance system so archaic it's almost laughable. The benefits are wonderful – if you have them – but simply unsustainable;
5. The bill does nothing to enhance the position of Connecticut's insurance industry, nor does it attempt to leverage the extraordinary base of knowledge we have right here in Connecticut to bring cost containment, benefit design, or any other ideas to the table as Connecticut contemplates reforms – a missed opportunity. Instead, once again, the bill relies upon the state's public employee unions, who have brought to the table plans and benefits so far out of step with the private marketplace that it's hard to imagine any employer, including any municipal employer, who would find access to the state employee pool an attractive option.

There is a great deal of work to be done in Connecticut as we try, as a state, to bring about a reasonable approach to reforms designed to make certain that everyone has access to affordable health insurance. Unfortunately, notwithstanding the political rhetoric around the notion of a "partnership," this bill moves the state not one step in that direction, and we urge its rejection.