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Testimony on H.B. Number 6582- An Act Concerning the Connecticut Healthcare Partnership

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Health care reform should be a central part of our state government's effort to protect its most vulnerable citizens, stimulate its economy, increase workforce productivity and control spending. This reform should be comprehensive in scope, phased in implementation, build on the strengths of the current system while remedying its deficiencies, and be undertaken in coordination with new directions in federal health care policy,

Partial efforts at reform which in isolation might seem to remedy one deficiency, but which in a comprehensive analysis can be seen to exacerbate other problems and even weaken current strengths, must be avoided. HB # 6582 bill, is one such flawed approach. As a practical matter, the approach only expands a state employee health insurance plan that is costly and falls short in the vital areas of wellness, condition management and preventive care. The State Employee Health Benefit plan provides benefits not often seen in private Employer Sponsored Health Insurance (e.g. \$10.00 and \$15.00 co-pays outpatient physician benefits and \$3 and \$6 prescription co-pays for generic drugs). While we do not suggest or even support "mandate light benefit plan designs" or a "race to the bottom", we are concerned that the State Employee Health benefit plan design is not sustainable in the long term with regard to costs to society (e.g. taxpayer). That said, we have the following questions:

1. What is the cost of the plan to the state (e.g. taxpayers) as well as to the employee for both current and retired state employees for the current year? What are the future projected costs to 2017?
 - i. What additional cost will occur if municipalities and small business/non-profits are added (e.g. administrative expenses to enroll employees and process claims, etc.)? What are future projected costs?
 - ii. Post retirement healthcare benefits for state and local government employees represent liabilities for state and local governments and ultimately a burden for state and local taxpayers. What is the current unfunded liability for post retirement health care benefits for state employees?
 - iii. Why is the plan moving to a fully self insured plan? What cost savings will be achieved by such a move?
 - iv. In short, what is the Fiscal Analysis of this proposal?

2. How does current state employee health benefit plan encourage individuals to be responsible for their health and to actively engage in improving their health? What incentives are provided to encourage individuals to be health-, cost-, and quality conscious in their health care decisions? Are there incentives to encourage employees to quit smoking, manage their weight, and comply with appropriate chronic disease management treatments?
3. Does the State take an active role to manage employee health such as reviewing claims data to see that the employee population in general are receiving necessary services and complying with treatment protocols?
4. How are health care providers incented to provide high quality evidence based care as cost effectively and efficiently as possible?
5. Will the Connecticut Healthcare Partnership be required to provide coverage to anyone independent of their health condition who applies (e.g. self employed individuals)? How will self employed individuals with pre-existing conditions be protected from excessive premiums, limited benefits, or refusal to renew coverage?
6. Does the plan reimburse providers regardless of the quality of care provided? The Business Council of Fairfield County believes that health care providers should waive costs associated with the National Quality Forum's List of Never Events and not seek reimbursement from the patient or third party payers. These events include surgery on the wrong body part, surgery performed on the wrong patient, incorrect surgery performed on a patient, retention of a foreign object inside a patient after surgery and others.

Until the information and analysis requested in these questions is available, consideration of this legislation is premature. Based on the best information and assumptions we have been able to gather, we believe the bill to be counterproductive and strongly oppose its passage. Should the identified information and analysis become publically available, we will review the bill again and offer an updated position.

Thank you for the opportunity to comment.

Attachment: Connecticut Health Scorecard Executive Summary