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Connecticut State Medical Society Testimony on
Senate Bill 457 An Act Concerning Consumer Report Cards and
Senate Bill 459 An Act Prohibiting Copayments for Preventive Services
Presented to the Insurance And Real Estate Committee
January 27, 2009

Senator Crisco, Representative Fontana and members of the Insurance and Real Estate Committee, my name is Ken Ferrucci, Vice President of Public Policy and Government Affairs for the Connecticut State Medical Society (CSMS). On behalf of our over 7,000 members, thank you for the opportunity to submit this testimony to you today on Senate Bill 457 An Act Concerning Consumer Report Cards and Senate Bill 459 An Act Prohibiting Copayments for Preventive Services.

CSMS supports Senate Bill 457 An Act Concerning Consumer Report Cards that would expand requirements of the managed care organizations consumer report card to include the medical loss ratio as defined in subdivision (1) of subsection (f) of section 38a-481, of each health care center or licensed health insurer. As defined "loss ratio" means the ratio of incurred claims to earned premiums by the number of years of policy duration for all combined durations.

CSMS has consistently advocated for transparency in all aspects of the health insurance industry and strongly believes that consumers have a right to know the exact portion of premium dollars that are spent directly on health care services. We also suggest that the definition of "loss ratio" in state statute be more clearly defined to delineate such expenditures and welcome the opportunity to work with committee members on the development of such a definition.

Senate Bill 459 An Act Prohibiting Copayments for Preventive Services would prohibit group and individual health insurance policies providing coverage of the type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of this state after January 1, 2012 from imposing a copayment deductible or other out-of-pocket expense for preventive care services. CSMS supports the goal of this legislation, to promote the health of Connecticut residents through the provision of affordable preventive care services. However, we must caution committee members that this legislation could potentially impact physicians negatively, making the provision of preventive services more difficult in many instances. Many physicians have entered into agreements with insurers and accepted reimbursement rates for preventive services based on arrangements

of copayments and deductibles that offset discounted rates. Should these products now be prevented from containing copayments and deductibles, the schedule of fees must be reviewed and adjusted appropriately to ensure that such requirements are not merely a reduction in reimbursements for physicians with no impact on the health insurer. Prevention, wellness and disease management are the foundation of health care. Adequate coverage and availability is imperative and ultimately provides long term savings and a better quality of life. Insurers must be encouraged to provide adequate coverage for these services, but we must be certain that any changes to current contracts do not negatively impact those providing the services.

Thank you for the opportunity to share these comments with you. We welcome any questions or comments.