STATEMENT REGARDING
House Bill 6582: *AA Establishing the Connecticut Healthcare Partnership*
House Bill 6600: *AAC the Establishment of the SustiNet Plan*

Public Health, Insurance & Real Estate and Human Services Committees
March 2nd, 2009

The MetroHartford Alliance is Hartford's Chamber of Commerce and the region's economic development leader. Our investors include businesses of all sizes, health care providers, institutions of higher education, and 34 municipalities. The Alliance's mission is to ensure that the Hartford Region competes aggressively and successfully for jobs, talent and capital so that it thrives as one of the nation's premier places for all people to live, work, play, and raise a family.

We write today in strong opposition to House Bill 6582 and House Bill 6600. Our investors believe it is important to focus on market-based solutions and engage in public-private partnerships to reach our goal of improving the current health care system, which covers over 90% of Connecticut's residents, among the highest percentages in the country. To this point, we supported and participated on the Connecticut Health Insurance Policy Council (CHIP) in 2007, a non-profit entity which focused on controlling health care costs and expanding access to quality health care—recommendations that the Alliance endorses.

The CHIP recommendations focused on encouraging individuals to take personal responsibility for their wellness, make appropriate use of the state's robust health care system, and participate in one of Connecticut's existing health insurance plans. The CHIP report specifically emphasized the need to:

- reduce the number of existing mandates and allow greater efficiencies in product development and approvals at the department level to create flexible benefit options, and improve access to affordable care;
- promote healthy lifestyles with employer-sponsored wellness programs and greater emphasis on prevention overall;
- increase Medicaid reimbursement rates to hospitals, which are receiving only 73 cents on every dollar of care to Medicaid patients, forcing overall health care costs to rise;

- use e-medical records, electronic information exchanges and telemedicine more efficiently to improve patient safety, expedite treatments and reduce redundant care, ultimately reducing costs; and
- provide more quality data to consumers to help them make more informed health care choices.

This past year, health care reform was once again the subject of considerable deliberation by the members of a new entity, the HealthFirst Connecticut Authority. The Authority voted out their report last week, and, while we have concerns with the lack of fiscal impact and clarity around a few key concepts, the report included several meaningful recommendations that were consistent with the CHIP report such as:

- increased use of e-medical records;
- promoting greater transparency in health care data collection and dissemination;
- promoting wellness, prevention and chronic disease management; and
- incorporating value-based designs into both public and private plans.

Given the constructive and comprehensive set of recommendations set forth in the CHIP and Authority reports, it is not necessary to create yet another bureaucracy to sell insurance, as House Bill 6600 suggests, nor does it make sense to expand the state's very expensive and rich health plan, as suggested in House Bill 6582. Expanding an already too expensive plan or creating an entirely new government entity when we can't afford the government we have would actually increase the cost of health care, which is the opposite goal we are intending in the quest for affordable, quality care. Additionally, the SustiNet proposal establishes a bureaucracy that would sell self-insurance plans without being required to comply with many of Connecticut's protective health insurance laws. It is critical to retain the integrity of consistent regulatory oversight in order to protect the consumer.

More importantly, we have before us the opportunity to implement some of the CHIP and Authority recommendations, a step that should be pursued deliberately and aggressively before we create another layer of bureaucracy or expand the state employee plan that is proven to be too expensive. Each of the recommendations mentioned above has the potential to actually improve quality by avoiding errors and helping people make more informed decisions about their care based on real data, and to reduce the overall cost of health care, which would enable more people to have affordable access to health insurance coverage.

Additionally, the President and Congress are very much committed to pursuing federal health care reform. In fact, included in the stimulus package was $19 billion in funding to convert medical records to electronic forms, and $1.1 billion for research comparing which treatments work best for specific diseases. Given our state's current fiscal climate, these recommendations might have been

otherwise unattainable at this time. It is important that we seize the momentum coming from Washington and take advantage of any and all federal assistance to make health care more affordable. It is equally important that we continue to have an active voice at the federal level with regards to reform, without recreating the wheel or preempting any possible federal reform with expensive state legislation.

It is vital to the state's fiscal health and the health of all of our residents that the public and private sector work together to strengthen our current system by identifying and pursuing practical and economically feasible market-based solutions to expand access, improve quality and increase affordability. The blueprints already exist, and it is time to begin implementing these recommendations. If we are to foster long-term prosperity for all of Connecticut's citizens, we must ensure that our insurance and health care economic engines remain resilient and strong in the competitive climate of a global marketplace.

Thank you for your support.