15

Quality is Our Bottom Line

Connecticut Association of Health Plans

Testimony Submitted in Opposition to
SB 15
AAC Prescription Drug Copayments

Insurance Committee Public Hearing
Tuesday, February 11, 2010

The Connecticut Association of Health Plans respectfully urges the Committee's rejection of SB 15 AAC Prescription Drug Copayments.

Pharmacy is one the single largest drivers of health insurance cost in Connecticut. On average, prices have increased between 15% to 20% a year.

The reasons for such increases are varied. The number of overall prescriptions issued has increased dramatically in recent years as new products come on line faster as a result of quicker FDA approval and, as always, consumer demand continues to escalate. In addition, the sheer volume of the rapidly aging baby boomer population adds appreciable demand that shows no sign of abating. Understandably, employers who generally pay the bulk of health insurance premiums are looking to health plans to provide some means of cost control in order to allow them to continue providing a pharmacy benefit – which is not mandated in Connecticut.

Health plans, like the State of Connecticut, are struggling to respond to these demands and at the same time provide members with access to a broad range of quality pharmacy services. SB 15 would remove the flexibility that insurers need in offering such benefits. At present, some plans may incent members to utilize a less costly mail order pharmacy option under their policy by reducing the copay for a 90 day supply and we would argue that it makes little sense to, in effect, add another mandate onto coverage that would simply add to the overall cost of health insurance.

We respectfully urge the Committee to reject SB 15. If passed, it will significantly impact the cost of insurance which will ultimately be borne by employers and their employees.

Thank you for your consideration.

280 Trumbull Street | 25th Floor | Hartford, CT 06103-3597 | 860.275.8372 | Fax 860.541.4923 | www.crahp.com