Quality is Our Bottom Line

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Insurance Committee Public Hearing

March 2, 2010

Connecticut Association of Health Plans

Testimony in Opposition to

SB 254 AAC Disclosure of Maximum Allowable Costs for Pharmacy Reimbursements.

SB 257 AAC Medical Payments Coverage for Automobile Insurance Policies.

The Connecticut Association of Health Plans respectfully urges your opposition to the following two bills before you today:

SB 254 would require that for each prescription drug, prescription device or pharmacist service of a health benefit plan that a pharmacy benefits manager administers, that such manager shall establish a list of maximum allowable costs for generic prescription drugs to be paid and update the list annually. These provisions would be enormously costly and cumbersome to administer. We also question the practice of limiting the pricing source to MAC only, when there are other relevant mechanisms used in the market such as WAC, AWP and ASP among others. We urge your rejection.

SB 257 would, in part, require that medical payments under auto insurance be secondary to any health insurance or other source of reimbursement to which the insured is entitled. Health plans commonly coordinate benefits with auto coverage for medical payments and auto coverage has always been considered primary for medical expenses resulting from an auto accident. If health plans are no longer allowed to recoup medical payments from auto carriers, group and individual health coverage rates will increase to take these increased expenses into account. Self-funded health benefit plans would also see increased costs, because auto insurance would also be secondary to those plans under this bill. At a time when everyone is struggling with the increased costs of health insurance, we respectfully question why we would want to further burden the health care system. Health plans are required to cover medical claims that exceed the auto policy amounts. If medical coverage under auto policies is going to mandated as the bill suggests, we also question why that coverage would only be limited to those without health insurance. We urge your rejection.

Thank you for your consideration.

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