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Quality is Our Bottom Line

Insurance Committee
March 4, 2010

Connecticut Association of Health Plans

Testimony regarding

SB 259 AN ACT CONCERNING INSURANCE COVERAGE FOR MAMMOGRAMS.

The Connecticut Association of Health Plans respectfully urges the Committee's rejection of SB 259. Each mandate must be considered in the context of the larger debate on access and affordability of health care. Both the General Assembly and the Administration have pledged this year to address the needs of the approximately 400,000 Connecticut residents who lack health insurance coverage. As we all know, the reasons people go without insurance are wide and varied, but most certainly cost is a major component. As you discuss SB 259, please consider the following:

- Connecticut has **49 mandates, which is the 5th highest** behind Maryland (58), Virginia (53), California (51) and Texas (50). The average number of mandates per state is 34. (OLR Report 2004-R-0277 based on info provided by the Blue Cross/Blue Shield Assoc.)

- For all mandates listed, the total cost impact reported reflects a range of **6.1% minimum to 46.3% maximum.** (OLR Report 2004-R-0277 based on info provided by the Dept. of Insurance)

- State mandated benefits are not applicable to all employers. Large employers that self-insure their employee benefit plans are not subject to mandates. **Small employers bear the brunt of the costs.** (OLR Report 2004-R-0277)

- The National Center for Policy Analysis (NCPA) estimates that **25% of the uninsured are priced out of the market by state mandates.** A study commissioned by the Health Insurance Assoc. of America (HIAA) and released in January 1999, reported that "...a fifth to a quarter of the uninsured have no coverage because of state mandates, and federal mandates are likely to have larger effects. (OLR Report 2004-R-0277)

- **Mandates increased 25-fold over the period, 1970-1996, an average annual growth rate of more than 15%.** The Health Insurance Portability & Accountability Act **(HIPAA) alone will add billions of dollars** in new compliance costs to the healthcare system. (PriceWaterhouseCoopers: The Factors Fueling rising Healthcare Costs- April 2002)

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- National statistics suggest that **for every 1% increase in premiums, 300,000 people become uninsured.** (Lewin Group Letter: 1999)

- "According to a survey released in 2002 by the Kaiser Family Foundation (KFF) and Health Research and Educational Trust (HRET), employers faced an average **12.7% increase in health insurance premiums** that year. A survey conducted by Hewitt Associates shows that employers encountered **an additional 13% to 15% increase in 2003**. For 2004, the outlook is for more double-digit increases. **If premiums continue to escalate at their current rate, employers will pare down the benefits offered, shift a greater share of the cost to their employees, or be forced to stop providing coverage.**" (OLR Report 2004-R-0277)

Thank you for your consideration.