



Office of the
Healthcare
Advocate
STATE OF CONNECTICUT

**Testimony of Victoria Veltri
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**Before the Public Health, Human Services and Insurance and Real
Estate Committees
In support of HBs 6305, 6322, 6308, 6323 and SB 921
February 14, 2011**

Good afternoon, chairs, ranking members and members of the Public Health, Human Services and Insurance and Real Estate Committees. For the record, I am Victoria Veltri, Acting Healthcare Advocate and General Counsel with the Office Healthcare Advocate ("OHA"). OHA is an independent state agency with a three-fold mission: assuring managed care consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health insurance plans; and, informing you of problems consumers are facing in accessing care and proposing solutions to those problems.

I am here to support **House Bill 6305, An Act Concerning the Implementation of the Sustinet Plan**. As you know the Office of the Healthcare Advocate and the Office of the State Comptroller staffed and chaired the Sustinet Board of Directors process throughout its entire process. The Sustinet board took the recommendations of over 160 subject matter experts on issues of healthcare quality, provider payment, patient-centered medical homes, health information technology (HIT), preventive care, racial and ethnic health disparities, child and adulthood obesity, smoking cessation and the healthcare workforce.

After considerable deliberation, including nineteen meetings of the board and consultation with its national experts, the Board produced its final report to the legislature. The report contained the core recommendations that were incorporated into House Bill 6305. House Bill 6305 reflects the concerns that the Board raised with respect to moving at a pace suited to both federal healthcare reform and our state's budget issues. That is why the preliminary steps of Sustinet include the concepts of costs-savings and increased efficiencies in our existing state programs, not by asking for substantial investments in initial funding from the general assembly, but by adopting long overdue strategies to save taxpayers money. Items like: patient-centered medical homes to coordinate care ensure prevention of illnesses and protect against the over-utilization of medical services; interoperable electronic health records that increase efficiency and reduce medical error; evidence based medicine that

ensure appropriate delivery and healthcare and prevent payment for unsupportable procedures; payment reforms to ensure that we aren't creating perverse incentives for providers to have to see a hundred patients a day to make ends meet, and to improve the quality of service delivery. Section 11 of this bill ensures that standing committees will provide the Authority with the information necessary to implement these reforms.

These measures are no cost measures that will reduce cost and improve the quality of care for SustiNet populations. These are common sense innovations that will create a better-operating state employee health plan, Medicaid and CHIP plans. The SustiNet Plan will, in addition to achieving the efficiencies state above, be empowered to use its pooling power to achieve administrative savings whenever possible.

The SustiNet bill envisions the Governor's plan for the HUSKY programs and Medicaid. The use of an administrative services organization with detailed accountability measures dovetails with both SustiNet and federal healthcare reform.

SustiNet G is consistent with the SustiNet Board of Directors recommendations that coverage be extended as soon as practicable to municipalities and non-state public employers followed by small employers and individuals, but also ensures that SustiNet will not bear a disproportionate risk of the healthcare costs for those employers.

The Medicaid expansions envisioned under the SustiNet bill are consistent with federal healthcare reform and will provide Connecticut with matching rates up to 95%, and the use of the basic health plan mechanism will provide Connecticut with maximum federal resources to insure individuals up to 200% of the federal poverty level who are otherwise ineligible for Medicaid.

Lastly, OHA commends the committee for including SustiNet plan members, an oral health advocate and a mental health advocate on the board of Directors for the SustiNet plan authority, and also for establishing a SustiNet Plan Consumer Advisory Board to develop consumer impact statements on major actions taken by the SustiNet Plan Authority Board of Directors.

OHA also supports **House Bill 6322, An Act Concerning State Prescription Drug Purchasing**. The Office of the State Comptroller has completed an analysis that showed that aggregating purchasing of pharmaceuticals for state programs could save the state over \$60 million per year without sacrificing the quality of our prescription drug programs. This is common sense legislation that creates efficiencies through joint procurement in purchasing.

OHA supports **House Bill 6308, An Act Establishing the Connecticut Healthcare Partnership**. The goals of Raised Bill 6308 are similar to those of Raised Bill 6305. In fact both Raised Bills 6308 and 6305, use the mechanism of the state employee plan for extending coverage to non-state public employers and municipalities.

OHA Supports provisions in **SB 921, An Act Establishing a State Health Insurance Exchange** and **House Bill 6323, An Act Making Conforming Changes to the Insurance Statutes Pursuant to the Federal Patient Protection and Affordable Care Act, and Establishing a State Health Partnership Program**. First, we are pleased

to see the conforming changes to the insurance statutes to align it with the Affordable Care Act. We are gratified to see section 38a-477b concerning rescissions and cancellations of individual insurance policies strengthened by the language from the Affordable Care Act that forbids rescissions except in circumstances of fraud or intentional misrepresentation.

It is unclear whether the prohibitions against denying an individual age 18 or under an insurance policy because of a pre-existing condition have been adequately addressed in HB 6323. There are provisions in section 5, 6 and 7 that make it clear that the insurer cannot exclude coverage for a pre-existing condition, but there is no provision that clearly prohibits insurers from rejecting an applicant age 18 or under for an insurance policy on the basis of a pre-existing condition.

With respect to the exchange provisions in SB 921 and HB 6323, there are more similarities than differences. The provisions could be reconciled to form one comprehensive exchange bill. Some of the minor differences include the number of people on the exchange board—SB 921 has 13, HB 6323 has 11. HB 6323 does not include the Commissioners of Insurance, Public Health or the Secretary of the Office of Policy and Management on the exchange board, while SB 921 does.

However, there are some more than minor differences between the bills which we think are worth pointing out. HB 6323 appears to have stronger conflict of interest protections for board membership. HB 6323 clearly subjects the exchange to the Freedom of Information Act with very limited exceptions. HB 6323 establishes a standing consumer advisory committee and contains detailed language on the Navigator grants under the Affordable Care Act.

Importantly, both HB 6323 and SB 921 recognize the integral role Congress intended for consumer assistance programs in the exchange by requiring the exchange to make referrals to the Office of the Healthcare Advocate for assistance with a grievance, complaint or question regarding the enrollee's health benefit plans, coverage or a determination under that health plan or coverage, or assistance with an appeal.

The provisions of HB 6323 and SB 921 can be reconciled to assure consumers are protected while a high performing exchange is constructed to deliver efficient, high quality, cost effective care to enrollees in the exchange. OHA stands ready to assist other state agencies in the development and implementation of the exchange.

Thank you for your time today. If you have any questions concerning this testimony, please contact me at victoria.veltri@ct.gov or (860) 297-3982.

