



Quality is Our Bottom Line

Connecticut Association of Health Plans

**Testimony Submitted in Opposition to
SB 13
AAC Copayments for Drugs**

**Insurance Committee Public Hearing
Tuesday, January 25, 2011**

The Connecticut Association of Health Plans respectfully urges the Committee's rejection of SB 13 AAC Copayments for Drugs.

Pharmacy is one the single largest drivers of health insurance cost in Connecticut. On average, prices increase 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 so that they can continue providing a pharmacy benefit which is not required by state law.

Health plans, like the State of Connecticut, are struggling to respond to these demands and at the same time provide members with broad access to a wide range of quality pharmacy services. SB 13 would eliminate 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. We would argue that such policies work to the benefit of consumers who choose to utilize the mail order option under their policy. In Connecticut, insurers are already prohibited from requiring the use of mail order pharmacies. Prohibiting the use of financial incentives to encourage consumers to access medical services that are more cost effective and efficient simply takes one more tool out of the toolbox as health insurers attempt to deliver affordable, quality health insurance products.

We respectfully urge the Committee to reject SB 13. If passed, the increased costs will simply be borne by employers and consumers through increased health insurance premiums.

Thank you for your consideration.