



Quality is Our Bottom Line

Insurance Committee Public Hearing
Thursday, February 24, 2011

Connecticut Association of Health Plans
Testimony in Opposition to

SB 976 AA Establishing the Nutmeg Health Insurance Plan.

FTR

The Connecticut Association of Health Plans opposes SB 976 AA Establishing the Nutmeg Health Insurance Plan which would open up MEHIP (Municipal Employee Health Insurance Plan) to uninsured individuals. The bill is completely inconsistent with federal reform, which will guarantee coverage of individuals through the private market or the exchange, either of which will offer better product selection at a better, likely federally subsidized, price. The bill is a repeat of a concept that some may have felt made sense prior to federal action; now it is an archaic idea whose time has passed.

It is important to note that the notion of "pooling" while attractive when subjected to a simple analysis, is in fact problematic when measured by rational, actuarial standards, especially when, as in this case, the ultimate "payer" is the taxpayer, since the state has migrated its state employee and MEHIP pools to self insurance. This bill is ill-conceived actuarially even if well intended, and is an anachronism when viewed in the context of the reforms passed last year by Congress - the law of the land no longer contemplates solutions like the one proposed in this bill. We urge its rejection.