

TESTIMONY to the Public Health, Human Services and Insurance and Real Estate
Committees
February 14, 2011
**In favor of HB-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**

Ellen Andrews, PhD
Executive Director

Thank you for the opportunity to testify in favor of this important bill. The national Affordable Care Act provides Connecticut with unprecedented opportunities to cover our 418,000 uninsured state residents, make health care more affordable for families and businesses, and improve the value of what we purchase. A critical state role in health reform is creating a viable, trusted health insurance exchange, as described in this bill.

The public's trust in the insurance industry and government regulators has been undermined by decades of weak consumer protections and a sense that the deck is stacked against consumers in favor of big insurance companies. Connecticut's health insurance exchange must not only be independent of conflicting interests, it must be above even the perception of conflicts. Leadership of the exchange must make only the best interests of consumers their priority. It is critical that anyone actively involved in or linked to the insurance and provider industries not serve on the Board of the exchange. Unlike the similar bill SB 921, HB 6323 includes strong conflict of interest provisions in establishing the governance of the CT Health Exchange, prohibiting people with financial ties to insurers and providers, who negotiate with insurance companies for their compensation. Only experts, state agencies and consumers are represented. Our state is very fortunate to have many smart people, not burdened by conflicts of interest, to fill these roles. Neither insurers nor practicing providers serve on Massachusetts's, Maine's or California's exchanges. Including insurers and providers on the Board of Directors could create legal problems for the state delegating authority to an entity with a potential conflict of interest¹.

Also unlike SB 921, HB 6323 includes important tools to ensure the exchange is effective in serving consumers and creating a fair health insurance market in Connecticut. HB 6323 provides for:

- Surveys of consumers, employers and providers on issues related to health care and coverage
- Language codifying that the vision of the exchange to provide understandable, objective information to consumers and assistance in selecting the right plan for each purchaser.
- Inform consumers of enrollees satisfaction ratings for each plan

- Seamless coordination and enrollment for applicants eligible for Medicaid or other public coverage programs
- Use of consumer focus groups to ensure exchange features work for consumers, particularly for people with low incomes and those with special needs
- Creates a standing consumer advisory committee to guide the Directors in their work
- Independent evaluation of consumers' experience including at minimum secret shopper surveys that have been critical in holding the HUSKY plan accountable
- Ensuring that no plan's marketing designed to discourage high need consumers, creating an uneven playing field
- Detailed, reasonable transparency standards
- Certify local performance on clinical quality standards
- Create a quality improvement plan
- Provide consumers with plans' comparative quality information to ensure that cost is not the only information shoppers have to use in decision-making
- Requires coverage of emergency care
- Ensures adequate provider networks in plans

In short, HB 6323 creates a real marketplace with useful information allowing Connecticut's struggling consumers, who will be required to purchase coverage, to make the right choice for their needs. It will also move competition in Connecticut's health insurance market from counterproductive risk segmentation and deceptive marketing to one where plans compete based on offering the best products that meet consumers' needs. I urge you to adopt HB 6323 and thank you for your time and your commitment to the health of every Connecticut resident.

¹ T Jost, Health Insurance Exchanges and the Affordable Care Act: Eight Difficult Issues, Commonwealth Fund, September 2010,
[http://www.commonwealthfund.org/~media/Files/Publications/Fund%20Report/2010/Sep/1444_Jost_h](http://www.commonwealthfund.org/~media/Files/Publications/Fund%20Report/2010/Sep/1444_Jost_health_ins_exchanges_ACA_eight_difficult_issues_v2.pdf)
[It ins exchanges ACA eight difficult issues v2.pdf](http://www.commonwealthfund.org/~media/Files/Publications/Fund%20Report/2010/Sep/1444_Jost_health_ins_exchanges_ACA_eight_difficult_issues_v2.pdf)