



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

FTR

Testimony of the Connecticut Insurance Department

Before
The Insurance and Real Estate Committee

February 3, 2011

~~Senate Bills:~~

~~No. 10 - An Act Concerning Insurance Coverage for Breast Magnetic Resonance Imaging~~

~~No. 12 - An Act Prohibiting Copayments for Preventive Care Services~~

~~No. 17 - An Act Concerning Wellness Programs and Expansion of Health Insurance~~

~~Coverage~~

~~No. 21 - An Act Concerning Health Insurance Coverage for Routine Patient Care Costs for Clinical Trial Patients~~

The Connecticut Insurance Department would like to offer the following general comment regarding the potential budgetary impact of the above referenced health insurance mandates, as well as some specific comments on SB 12 and 17.

When considering the enactment of new or additional health insurance mandates, the Department respectfully urges the Committee to understand the future financial obligations they may place on the State of Connecticut and taxpayers.

The Patient Protection and Affordable Care Act of 2010 (P.L.111-148) (PPACA), as amended, requires that by January 2014, each state shall establish an American Health Benefit Exchange (Exchange) that facilitates the purchase of qualified health plans. Qualified health plans will be required to offer an essential benefits package as determined by the Secretary of Health and Human Services (HHS). PPACA Section 1311(d)(3) provides that a State may require that qualified health plans offered in the State offer benefits in addition to the essential health benefits, but, if the State does mandate additional health benefits be provided, the States must assume the cost of those additional benefits by making payments to an individual enrolled in a qualified health plan offered in the State or, to the qualified health plan on behalf of the enrolled individual to defray the cost of the additional. **In simple terms, all mandated coverage beyond the required essential benefits (as will be determined by HHA) will be at the State's expense. Those costs may not be delegated to the individual purchaser of insurance or the insurer.**

Essential benefits have yet to be defined by HHS; therefore, there is no mechanism for determining if these proposed mandates will fall within the definition of essential benefits or not. However, should they be passed into law and be determined to exceed the essential benefit requirements, the State will have an immediate financial obligation to pay the cost of each of those mandates to the individual or to the insurers effective in 2014.

We would also like to offer additional comments regarding two specific proposals:

No. 12 - An Act Prohibiting Copayments for Preventive Care Services - PPACA Sec. 1001 mandates coverage for preventative services without cost sharing for plan years beginning 9/23/10 for all non-grandfathered plans; therefore, this will unnecessarily duplicate federal law which already has addressed this issue.

No. 17 – An Act Concerning Wellness Programs and Expansion of Health Insurance Coverage - We would like to remind the Committee that a cost benefit analysis, pursuant to Conn. Gen. Stat. 38a-21, was performed for the benefits proposed in this bill. Copies of the analysis were provided to the Committee in January 2010.

Thank you for the opportunity to provide this information to the Committee. We will be happy to provide additional information regarding the PPACA provisions which we have identified.