

TESTIMONY to the Insurance and Real Estate Committee

February 14, 2012

Re: **HB-5013, An Act Concerning the Board members of the Connecticut Health Insurance Exchange**

Ellen Andrews, PhD
Executive Director

Thank you for the opportunity to testify in favor of this concept. National health reform provides Connecticut with unprecedented opportunities to cover 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. It is estimated that one in ten state residents will rely on Connecticut's Exchange for coverage. Unfortunately, the current Exchange is out of balance -- dominated by powerful insurance interests and lacks consumer and small business voices, despite federal regulations that call for a voting majority that represents consumers. That Exchange is making important, permanent decisions now.

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. In January 2014, individuals will be required to secure coverage; many will be forced to purchase insurance from those same insurers or pay a penalty. For 140,000 low income state residents, the Exchange will be their only option to receive federal subsidies to make insurance affordable. A trustworthy Exchange is essential.

It's important to act now as the Exchange is currently making decisions that will define the organization far into the future. They are hiring a Chief Executive Officer without benefit of input from the eventual customers of the Exchange, and the qualifications emphasize insurance industry experience adding to the insurer/consumer imbalance. Consultants hired by the Exchange have recommended handing over the small business exchange to CBIA. Plans offered by CBIA's Health Connections are not affordable for most small businesses and do not offer the value they need. CBIA is closely tied to the insurance industry and requires membership in their agenda-driven, lobbying organization to purchase insurance. In the past CBIA has lobbied the state to reduce insurance options available to small businesses and opposed national and state health reforms. Turning Connecticut's Exchange over to opponents of reform is a recipe for failure. Providing a public, transparent alternative to CBIA through the exchange would create competition and improve all available options.

HB-5013 is a good start toward fixing the CT Health Insurance Exchange, but more is needed.

- Add two consumer and two additional small business representatives to the Board
- Give the State Health Care Advocate a vote on the Exchange's Board
- Prohibit CBIA and other vested interests from taking over any part of the Exchange
- Ensure that the Exchange's Chief Executive Officer being is independent of the insurance industry
- Allow the Ethics Commission to enforce conflict of interest protections
- Do it now

In short, HB 5013 is a good start toward fixing the CT Health Insurance Exchange, but much more is needed. Thank you for your time and your commitment to the health of every Connecticut resident.