



Judiciary Committee

Public Hearing

Friday, March 23, 2012

Connecticut Association of Health Plans

Testimony in Opposition to

**HB 5535 AAC CONTINUATION OF HEALTH INSURANCE COVERAGE AFTER A
DIVORCE OR LEGAL SEPARATION**

The Connecticut Association of Health Plans respectfully urges the Committee's rejection of HB 5535 An Act Concerning Continuation of Health Insurance Coverage After A Divorce or Legal Separation.

This piece of legislation would create a significant burden for fully-insured employers. In essence, HB 5535 would require employers to continue offering coverage for divorced spouses, even if their employee later remarries, which could potentially add a significant number of people to a small employer's rolls changing their status as a small group employer (50 and under) or even excluding them potentially from eligibility under the Exchange.

Please also consider that without a direct nexus to the divorced spouse, an employer has little ability to promote or encourage wellness activities which have become one of the cornerstones of controlling health care costs even though the divorced spouse's claims would be included in premium rate development. Carried to the extreme, the bill would seem require coverage for multiple divorced spouses, which sometimes happens, and while the employer doesn't directly have to pay for these divorced spouses, their demographics would be reflected in the premium for a small group and reflected in the claims experience for a large employer.

The bill also raises practical considerations including the difficulty of keeping track of the noted individuals, sending notices to the appropriate people in the event of non-payment of premium and other eligibility issues. Implementation would likely require an entirely manual process that would be prone to error. Furthermore, the provision requiring the Insurance Commissioner to weigh in on the premium expense does not conform with the rate setting process that health plans are required by state law to abide by.

With federal health care reform imminent in 2014, all individuals will be eligible for coverage under the Exchange regardless of their health status and bills of this nature will arguably be unnecessary. We urge your rejection of HB 5535.

Thank you for your consideration.