



Advocating for teachers
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Bob Namnoum

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Before the

Insurance and Real Estate Committee

*Re: SB957 AA Establishing a Health Insurance Advisory
Council*

*HB6478 AAC The Claims Data Provided to Certain
Employers*

February 26, 2013

Good afternoon Senator Crisco, Representative Megna, and members of the Insurance and Real Estate Committee. My name is Bob Namnoum, an appointee to Connecticut's Public Health Advisory Committee and a UniServ Representative for the Connecticut Education Association. CEA represents 43,000 members who are active and retired teachers across the state. We are testifying today in favor of **HB6478 AAC The Claims Data Provided to Certain Employers** and **SB957 AA Establishing a Health Insurance Advisory Council**.

CEA employs UniServ Representatives who work day-to-day with local affiliate associations and their members. We provide many professional services from coordinating professional development activities to negotiating contracts and terms of employment. In this latter role we frequently confront health insurance cost containment issues at the municipal and district levels. We work with consultants and colleagues to address the rising costs of health insurance that ultimately impact the budgets of school districts, teachers, and taxpayers alike.

SB957 AA Establishing a Health Insurance Advisory Council

SB957 would bring key stakeholders to monitor and address, in an ongoing manner, issues of affordability, coordination with the Affordable Act, rating methodologies, and the promotion of a competitive health insurance market. CEA strongly supports the creation of this council to ensure an open and competitive health insurance market for all in Connecticut.

HB6478 AAC The Claims Data Provided to Certain Employers

One important tool we have to help control costs of public employee's health insurance is the Connecticut Partnership Plan administered by the Office of the Comptroller. The good news is that when we can provide appropriate data to the Comptroller, the Partnership Plan can provide competitive health insurance rates for consideration by boards of education.

Last year, on January 10th, the State Comptroller sent a request to every Superintendent, Mayor or First Selectman asking they provide necessary data to his office to create a "profile of potential participants" in the Partnership Plan. He provided a simple template for them to complete and electronically provide the data. Very few responded to this request.

In some cases the rates are in fact competitive, resulting in the adoption of the Partnership Plan at the local level. In other cases, rates have been provided and considered, but for many potential reasons, the employer does not change to the Plan. In both scenarios, the market is working, and resulting competition has helped provide satisfactory results.

However, there have been too many instances of the market being prevented from working. Our UniServ Representatives note four specific obstacles:

1. Incomplete Group – Requested claims data limited to bargaining unit and not entire insured group.
2. Timeliness – Requests for claims data are not fulfilled in a timely manner by insurance companies.
3. Small Group Demographics – Claims information for small groups (usually fewer than 100 members) is protected from disclosure by federal law, but demographic data, if made available, could be used to develop competitive rates.
4. Plan Design Information – Documents detailing the existing plan design of a covered group are not always forthcoming.

Many of the obstacles preventing competition could be resolved if exclusive bargaining agents are able to obtain the necessary information for seeking Partnership Plan rates. Nothing in HB6478 would require employers to adopt the plan, but at least they could make important decisions about health insurance costs based on competitive information. Some specific recent experiences are noted below:

Region 16 (Beacon Falls and Prospect): At the negotiations table with the Region 16 Board of Education, the Region 16 teachers made a formal request that the Board submit the necessary claims and other requested data to the State for a quote. One week later at the following negotiations sessions, the teachers were told by the Board's attorney that the Board would not be able to compile the requisite claims and other data until after negotiations had concluded. The teachers countered that they would wait until the second year of the contract in order to accommodate the Board's concerns. Despite such attempts, the Board dismissed the teachers' request and said that they would not pursue the matter further.

Madison: Teachers were repeatedly misinformed by an insurance broker in Madison that "retirees could not participate" in the plan. Despite our efforts to correct the information, the broker's statements resulted in confusion, delay, and resistance to change. Had the bargaining agent had greater ability to obtain necessary data and seek a competitive rate, such an obstacle to considering competitive rates through the partnership plan could have been avoided.

Region 4 (Chester, Deep River, Essex): Teachers requested that the board seek Partnership Plan rates and were surprised when the board said the quotes weren't accurate because the data (which the board provided) did not include recent claims. The broker was supposed to submit additional claims data to the Comptroller, but this was not forthcoming. The teachers never saw the pricing on the original quote, nor have they received a follow-up quote.

Westbrook: Teachers requested that the Board seek Partnership Plan rates. Despite the elimination of the specific reference to Anthem in contract, repeated conversations with the former Superintendent, and change of carrier language being added to the new contract, it does not appear that the board submitted a request for Partnership Plan rates.

West Hartford: Teachers urged the board to seek Partnership Plan rates for at least 6 months before a quote was finally sought. It appears that the data provided by the district was not sufficient, and to date we are not aware of the board following through on that request. Preliminary comparisons made by the teachers' bargaining agent to the Partnership Plan indicate that West Hartford would save money, but obstacles to obtaining rates persist.

One could ask who benefits from such obstacles to competition and how. We do not purport to know. But HB6478 would address these issues and enable bargaining units to obtain rates from the Comptroller in a timely manner critical to ensuring competition.

Thank you.

