



January 31, 2013

Insurance Committee Hearing
SB – 596
HIX Active Purchasing Bill

TESTIMONY: Kevin Galvin, Chair, Small Business For A Healthy Connecticut

My name is Kevin Galvin. I am a Connecticut Small Business owner, Chairman of Small Business For A Healthy Connecticut and member of the Board of Directors of HealthyCT Connecticut's non-profit COOP. I am speaking to you today in my role as an advocate and Chair of Small Business For A Healthy Connecticut.

As we continue into the depths of implementation of the Affordable Care Act it has become clear that legislation will be needed in several areas to insure Connecticut residents have access to the highest quality and most affordable Health care coverage possible. The need for legislation to make "Active Purchasing" an integral part of Connecticut's Health Care Exchange as described in HB-596 is critical in meeting this goal.

As an advocate and a representative of Small Business as many of you are aware I have been involved in virtually every phase of the Health Care Reform movement over the past seven years.

Throughout the past seven years and as recently as last night in the hundreds of meetings and thousands of interactions with the public the discussion and concern over rates almost always takes over the conversation.

As you all are aware the fact the Exchange exists is no guarantee that rates will be affordable. The fact that we have a Department of Insurance who reviews and approves rates is no guarantee rates will be affordable. The fact that we are operating in the new world of the Affordable Care Act does not guarantee rates will be affordable AND relying on the carriers to be able to bring plans onto the exchange with no structures to challenge price in my opinion is just plain irresponsible.

The only proven structure that should be in place to help develop and maintain reasonable rates is "Active Purchasing".

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There is no data that shows that "Active Purchasing" not being used lowers rates within an Exchange. BUT, there clearly is data that shows the use of "Active Purchasing" does yield lower rates to the consumer.

I have been told the reason "Active Purchasing" should not be put into play in Connecticut's Exchange is the practice would be "too aggressive" and would dissuade carriers from participating on The Exchange.

The Exchange offers new and unique access to a new and very larger group of consumer. Does anyone in this room really believe Connecticut Insurance Companies are not going to sell insurance in this new environment? I believe Connecticut carriers will not miss this opportunity.

But, with access there needs to be structure, rules and protections so the carrier / consumer relationship will not continue to be the same as it always has. That was not the intention of the crafters of Health Care Reform. Cost Control, Quality, Access and Innovation were the operatives that came out of the Affordable Care Act.

"Active Purchasing" is one of the structures needed to insure this happens.

I strongly urge you to move to make "Active Purchasing" a reality for the consumers of Connecticut.



Kevin Galvin

Chairman, Small Business For A healthy Connecticut