

TESTIMONY to the Committee on Insurance and Real Estate

February 26, 2013

Re: SB-957, An Act Establishing a Health Insurance Advisory Council

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Thank you for the opportunity to comment on and support SB-957. I would like to thank the committee for raising this important bill.

Health insurance in Connecticut is expensive. Most of the calls to our helpline at the CT Health Policy Project are uninsured or underinsured people seeking health insurance they can afford. As a consumer advocacy organization, our only mission is to expand access to affordable, quality health coverage for every state resident. The federal Patient Protection and Affordable Care Act (ACA) offers a historic opportunity to make coverage affordable and reduce the number of uninsured in our state. However, while the ACA offers significant tools and resources, it is up to the state to ensure that consumer protections are enforced, and that coverage becomes affordable. Much of that responsibility rests with the CT Insurance Department (CID), whose work has largely been out of public view. Passage of SB-957 and creation of the Health Insurance Advisory Council would provide that transparency. With implementation of the ACA, the insurance department's job, always critically important to the health of Connecticut consumers, will become far more so. Creating a Health Insurance Advisory Council will provide real-world feedback to the state, access to the wisdom of diverse stakeholders to help with that difficult job, and assistance engaging and educating the public about health insurance reform.

Experts estimate that 270,000 state residents will purchase health insurance next year in response to the ACA. About half of them will not qualify for federal affordability subsidies and will rely on CID's rate review process to ensure fair prices. The ACA also includes important new protections – guaranteed issue and renewal, no gender rating, no annual or lifetime caps, limits on age rating, and no medical underwriting to name a few. But those protections must be enforced to be meaningful. Consumers are unlikely to know if they are charged more because of gender or being steered out of a plan due to health problems. Consumers need to know how the market will be monitored and adjusted when necessary to feel confident that they are getting value for their premium dollars.

The Health Insurance Advisory Council will provide public accountability and transparency restoring confidence in the insurance market. The Council will also provide critical stakeholder feedback and assistance that the state could never purchase. The Council can help the state educate the public and other stakeholders about the ACA, about insurance, and about their rights and responsibilities. The Council can also provide a forum to identify and resolve problems before they become crises.

Thank you again for raising this important bill and for your commitment to the health and security of every Connecticut resident.