



Quality is Our Bottom Line

Public Health Committee Public Hearing

March 15, 2013

Connecticut Association of Health Plans

Testimony regarding

S.B. No. 848 AA Implementing Provisions Of The Budget Concerning Public Health

The Connecticut Association of Health Plans would like to express its reservations regarding Section 5 of SB 848 which expands the assessment levied against health insurers and third party administrators to cover the costs under the Department of Public Health associated with administering the immunization program in addition to the vaccine cost itself.

While the dollars associated with this section are fairly limited in the overall context, the Immunization Services line item itself under DPH is proposed to increase from \$18.4 million in 2013 to \$29.9 million in 2014 and again to \$32.2 million in 2015 representing a \$13.8 million increase in just two years. This is a significant increase in the cost of the program which, if passed, will be borne entirely by the state's insurers and employers.

Connecticut's health insurers have been pleased to be engaged by the state in developing a successful and comprehensive vaccination program. Keeping our children healthy is of absolute importance and priority.

However, by virtue of the immunization assessment levied on the health insurance industry, the state's health insurers and other third party administrators now privately fund the vaccine program administered by the Department of Public Health.

To provide some perspective, the budget for the Department of Insurance (DOI) – which is also assessed to and paid for by the industry – amounts to \$27.9 million. In next twelve months, the immunization assessment will clearly surpass the assessment levied to fund the entire DOI.

We have been working closely with the Office of Policy & Management to better understand the nature of the increase and how the level of needed funding is determined and we appreciate their responsiveness to our questions. We do, however, respectfully believe the time has come to put in statute a formal reconciliation process to assure not only that the funding and assessments are aligned appropriately, but also to assure that the intent of the overall initiative - which was to achieve the highest immunization rates possible by virtue of purchasing vaccines in the most cost efficient manner available - is being fully realized. With the fund now proposed to also cover DPH administrative costs, the need for a reconciliation is paramount.

It's also important for the committee to note, that the mandate requiring that providers purchase vaccine from the state's program is now more important than ever with the assessment so high. Without the mandate, insurers and thereby employers and individuals, are at risk for being charged twice for the same cost.

As always, the Association would be happy to discuss the issue further with the Legislature and/or the Administration if there are additional questions.

Many thanks for your consideration.