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Ray Rossomando

Connecticut Education Association

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 Ray Rossomando, Research and Policy Development Specialist 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 **SB957 AA Establishing a Health Insurance Advisory Council** and **HB6478 AAC The Claims Data Provided to Certain Employers.**

CEA is a professional teachers' association and employee union that provides services to members that include assistance in controlling the cost of health insurance coverage. The rising costs of health insurance impact district resources available for the classroom. They are increasingly shared by teachers, who are paying a greater share of insurance costs along with boards of education. These rising costs also put budgetary pressure on local budgets at the municipal level. Ensuring that there is an open and competitive market for soliciting and comparing rates for public employees is important to controlling rising costs.

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 Care 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.

CEA also strongly supports HB6478. Connecticut's Health Insurance Partnership Plan was established by the legislature to help reduce costs to taxpayers for providing health insurance coverage to public employees (non-state). The legislature's work can only achieve its goal if the Comptroller can receive adequate and timely data necessary to develop competitive health insurance coverage options.

HB6478 would address four obstacles limiting competition in the health insurance market for non-state public employees, and ultimately taxpayers:

1. Public employee groups (and exclusive bargaining agents) generally do not receive claims information for the entire pool insured by an employer, just their particular bargaining unit. This makes it difficult for the bargaining agent to provide the Comptroller's office with sufficient information to price a competitive plan.
 - HB6478: Ensures that claims data for the entire pool (not just one component bargaining unit) are provided to requesting bargaining agent.
2. Requests for claims data are not fulfilled in a timely manner by insurance companies (or brokers) making it difficult for bargaining groups to request competitive rates from the comptroller's office in a timely manner.
 - HB6478: Requires data to be provided within 30 days.
3. Claims information for small groups (usually fewer than 100 members) is protected from disclosure by federal law. This has made obtaining competitive rates more difficult and any resulting rates not as accurate as possible. For small groups, competing insurance companies usually develop rates based on demographics, rather than claims data.
 - HB6478: Requires demographic information be made available to the employer and bargaining agent for submission to the Comptroller (or other provider) for the development of competitive rates.
4. Comparisons of the competitive plans like the Partnership Plan are made more difficult when current documents detailing the existing plan design of a covered group are not made available.
 - HB6478: Requires plan documents be made available to the employer and bargaining agent so that the comptroller can receive a copy and make suitable comparisons based on complete information.

CEA strongly supports SB957 and HB6478 and their mutual goals of maximizing insurance coverage while controlling costs.

Thank you.