



Quality is Our Bottom Line

FTR

Insurance Committee Public Hearing

Thursday, March 6, 2014

Connecticut Association of Health Plans

Testimony in Opposition to

**SB 191 AAC HEALTH INSURANCE COVERAGE OF ORALLY AND
INTRAVENOUSLY ADMINISTERED MEDICATIONS**

The Connecticut Association of Health Plans respectfully requests rejection of SB 191 which qualifies as a new mandate under the Affordable Care Act (ACA) and thereby requires that the State of Connecticut pick-up the associated costs. Please consider last year's OLR summary for HB 6320 which mirrors exactly the current legislation under consideration. It stated:

The Affordable Care Act (P.L. 111-148) allows a state to require health plans sold through its exchange to offer benefits beyond those already included in its "essential health benefits," but the act requires the state to defray the cost of these additional benefits. The requirement applies to mandates enacted after December 31, 2011. As a result, the state would be required to pay the insurance carrier or enrollee to defray the cost of any new benefits mandated after this date.

It's also worth noting that none of the mandates under consideration by the Committee would apply to those individuals, including state employees, that are covered by self-insured plans. The burden of this cost would fall only on the fully-insured market who are generally smaller employers.

More and more companies and government entities that can afford to take the risk are moving to self-funded plans which allow them to set their benefit structures within the scope of their individual group's needs and budget. The ratio of self-insured to fully-insured groups in CT is now nearing 60% to 40%. As the ACA recognized, the system cannot continue to absorb the additional costs of new mandates.

Please also consider that Connecticut already has a statute in place for oral chemotherapy drugs, but this proposal would seem to create a vastly more broad and costly expansion of that mandate to any and all chronic diseases.

Furthermore it's important the Committee members understand the complexity of benefit structures. For example, intravenous medications often fall under the medical benefit portion of a policy while oral medications fall under the pharmacy benefit. Consider the state account, for instance, which has separate carriers for the medical and pharmacy benefits each with its own structure and cost sharing requirements. Tying the two benefits together adds appreciable administrative complexity.

From the quality standpoint, studies also suggest that compliance and safety outcomes are often better when with IV v. oral medications and there may be important clinical reasons for incentivizing patients to use such services.

We strongly urge the Committee's rejection of SB 191. Many thanks for your consideration.