

Testimony on Raised Bill 479

An Act concerning the authority and duties of the Connecticut Health Insurance Exchange and establishing certain standards for certain stop loss insurance policies

James B. Stirling, CEO, Stirling Benefits, Inc., Milford CT

Section 1 of this bill establishes an all payer claims database to inform public policy choices. Ideally, the data would be available to citizens to inform their choices, too. Consumers want to know how much a procedure costs and how many are performed by various providers. I'm concerned that insurers will tweak the bill to obscure what is actually paid by their plans, not just what is charged.

I urge you to consider an all provider data base. Ten years ago, getting data from payers was the only option. Now that practice management software and electronic medical records are common, and with possible help from the SIMS grant, CT could lead other states by collecting data directly from the source, from the providers themselves. Provider data has fewer gaps, and will better inform public health, not just insurance payment policy.

Section 5 regulates the stop loss contracts that support self funded plans. States are prohibited by federal law from regulating the self funded Plan itself, and this is a way to limit who gets to self fund. There is a concern that small employers are self funding to offer non-DOI approved plan designs and to lower costs. **That is exactly correct.** In business circles, this is called innovation, efficiency, and creativity. This is what makes a good business environment.

Now that the Affordable Care Act sets minimum benefit levels for self funded and fully insured plans alike, there is even less reason to interfere with a market that is working. Fifteen years ago, my family business administered many plans for small, self funded businesses. This forced the carriers to get more competitive. It worked. Carriers began to offer greater value, and companies switched back to fully insured. These are the normal cycles of a competitive private sector. Self funding is working for small businesses again. Does this committee really want to limit employer's creativity and innovation and stifle competition?

I talked to one employer, established over 100 years ago, that has self funded their benefits for over a decade. Their plan would be curtailed by Section 5. Her comment, "Do they really think they know what's better for us?" and then she added: "Oh, this would be good for the insurance companies, right?" The quote from the insurance companies for her plan: \$10,000 more per month.

Word of Section 5 is just getting out to the small business community. I ask the committee to please wait a couple of weeks before voting on this to give small businesses time to let you know how it would impact their business.

Thank you.

James Stirling, 20 Miller Road, Bethany, CT

James is CEO of Stirling Benefits, Inc., a third Party Administrator of self funded health plans in Milford. Stirling Benefits was founded in 1973. He is an elected member of the Amity (Region 5) Board of Education and Chairs the Finance Committee. He is past chairman of the Society of Professional Benefit Administrators of Washington D.C. He is a licensed Insurance agent and served on Health First and Sustinet task forces.