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Testimony on Senate Bill 11: AAC The Duties of the Connecticut Health Insurance Exchange

**Insurance & Real Estate Committee
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Submitted by: Stephen A. Karp, MSW, Executive Director

The National Association of Social Workers, CT Chapter supports Senate Bill 11 that directs the Connecticut Health Insurance Exchange to actively negotiate, on behalf of consumers, health insurance premiums with insurers on rates for plans offered through the Exchange.

A key and overarching purpose of the Affordable Care Act was to make health insurance both accessible and more affordable to consumers. One of the most effective means for achieving this purpose is to negotiate premium rates with insurers so as to assure that policies that reach the general public and businesses through the Exchange are competitively priced and maximize the purchasing power of consumers. This can only be fully accomplished if the Exchange uses its purchasing power to drive down costs.

As a small business that struggles to afford health insurance coverage for our employees we are at the mercy of insurers with no ability to negotiate rates. As a small business that currently covers one employee (three eligible but two have opted out) we pay the highest rates. We had hoped the Exchange would offer small businesses a means for purchasing insurance at more affordable rates but unless Senate Bill 11 passes that will continue to not be the case. Without negotiation of premium pricing the Exchange continues to be just another broker and does nothing for small businesses that already have access to independent insurance brokers. It will be a shame if this opportunity to assist small businesses is not utilized. For 2014 we looked at the Exchange rates and found that we were able as a small non-profit to acquire coverage for less through MEHIP, but this is not an option for all small businesses. Simply put it was very disappointing to see the rates being offered to us through the Exchange.

In Massachusetts an exchange is operating where premiums are negotiated with insurers. This has made for far more affordable premiums. There is no reason Connecticut consumers and small businesses cannot have the same affordability through our Exchange as is available in Massachusetts.

As of February 10, 2014 the CT Exchange had enrolled 50,665 individuals into commercial health insurance plans. Surely this number of new enrollees and the promise of more to come is sufficient cause for insurers to work with the Exchange on negotiated rates. Asking consumers and small businesses to wait until some future point in time for negotiated rates fails to meet the current needs of health insurance purchasers. As a consumer and a small business representative I can tell you that we cannot wait any longer, in fact we have already waited too long. The time is now; the Exchange is our best vehicle, so no more excuses, let's seize the moment to do what policy makers profess they want, that being making health insurance premiums more affordable!