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Testimony on SB-11 – AN ACT REQUIRING THE CONNECTICUT HEALTH INSURANCE EXCHANGE TO NEGOTIATE PREMIUMS

Honorable Elected Officials, thank you for the opportunity to address you with regards to this bill addressing the affordability of health insurance to the residents of our State. I own and operate a staffing and educational services business that provides support services to other organizations related to health insurance and health care reform. I have been in the insurance business for 14 years, and am very involved with the roll-out of Health Care Reform and how it affects the Individual and Small Group Health Insurance marketplace in CT.

I am testifying on my own behalf. For informational purposes, I am a member of the SHOP Advisory Committee to Access Health CT and a board member of Small Business for A Healthy CT, an advocacy group. I am testifying on three bills today; so I will be brief.

I am in support of this bill. It is important that the exchange leverages its purchasing power to negotiate the best possible pricing for enrolled individuals. The initial fear of people not signing up; and that insurance carriers would not participate; has now been proved to be unfounded. In the last year and a quarter, we have seen hundreds of thousands of individuals get insured in CT, including approximately 100,000 subsidized members enrolling in private health insurance plans through ahCT. In the future, additional insurance companies will want to participate in offering health insurance plans through ahCT, and that provides ahCT with the leverage it would need to negotiate premiums with insurance carriers, as well as provider and prescription drug coverage.

However, having priced mid-sized groups in the past; at this point in time, there is not enough credible claims data available for ahCT to be able to negotiate premiums. In 2016, the first set of claims data will be available. The issue will be that this data includes the first year, which is likely to be very high due to people getting treated, since many did not have insurance prior to Jan 1, 2014. It would be more realistic, having 2 years of claims data, for ahCT to negotiate premiums for the years starting 2017 or 2018. At that point in time, there will be enough data for insurance carriers and ahCT to negotiate, as ahCT would have leverage to limit carriers too.

Thank you for your time. I am open to answering any questions you may have for me.

Sincerely,

Antonio Paulo Pinto