



Quality is Our Bottom Line

Insurance Committee Public Hearing

Thursday, February 5, 2015

Connecticut Association of Health Plans Testimony in Opposition to

SB 24 AN ACT ESTABLISHING STANDARDS AND REQUIREMENTS FOR INSURERS' DRUG FORMULARIES, REQUIRING DISCLOSURE OF CERTAIN HEALTH INSURANCE PLAN INFORMATION FOR CONSUMER COMPARISON PURPOSES, AND REQUIRING THE CONNECTICUT HEALTH INSURANCE EXCHANGE AND THE INSURANCE DEPARTMENT TO EVALUATE HEALTH INSURERS' COMPLIANCE WITH THE AFFORDABLE CARE ACT.

The Connecticut Association of Health Plans respectfully urges the Committee's rejection of SB 24.

As you know, Connecticut has rolled out one of the most successful, if not "the" most successful, health insurance Exchange in the country and we applaud the efforts of all those involved from the Administration, Access Health, and the Legislature, to employers, providers, advocates and, from our perspective in particular, all those health plan employees that worked around the clock to implement a sweeping health care reform in record time. Access Health has just completed their second open enrollment period and rate setting and benefit design for 2016 will be finalized in the next few weeks.

Much of what SB 24 proposes to do is already underway and, if enacted, it may inadvertently undermine the current system which has been so successful.

HHS (Health & Human Services - Federal) is already in the process of developing formulary standards for small group and individual health plans that are required to cover essential health benefits as suggested under the bill. New state legislation which is inconsistent with the federal guidance being implemented will cause significant confusion and unnecessary expense.

Qualified Health Plans (QHPs) are already required to provide a summary of benefits and coverage (SBC) that outline detailed structured disclosure of health plan requirements. HHS has proposed changes on the table currently that health plans will already be challenged to adhere to before the next enrollment period unfolds. Adding new requirements that are above and beyond what's already under consideration, will be detrimental to the overall goal of health care reform.

The proposed 2016 Notice of Benefit and Payment Parameters includes provisions for the disclosure of drug coverage information, so we will see federal standards on these issues in the very near term.

As the regulator of insurance carriers in the State of Connecticut, the Insurance Department has the responsibility and the appropriate authority to oversee compliance with the Affordable Care Act (ACA) and any other applicable federal requirements. CID is the primary enforcer of CMS protocol. The Exchange doesn't carry the authority to enforce law and regulation. Access Health, however, does appropriately carry the authority to enforce Exchange participation requirements. But, assuring ACA compliance is a much broader mandate than is the charge the Exchange and it requires the sophistication and expertise of experienced insurance regulators. Access Health and the CID have a good cooperative working relationship whereby they can, and do, work together to assure compliance. Each entity, however, has a distinct role to play in the process and blurring the lines of their responsibilities may compromise the healthy insurance market that exists today.

Just one side note for your consideration. Limiting the ability of health plans to make mid-year formulary adjustments does the consumer a disservice by delaying the introduction of lower cost generic alternatives that may become available during the year. Such changes may provide for significant savings not only in the short term for members in that calendar year, but also longer term for the population at-large as less pressure is put on the overall premium dollar.

We thank you for your consideration and urge your rejection of SB 24.