



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony of the Connecticut Insurance Department

Before The Insurance and Real Estate Committee

March 11, 2015

Proposed S.B. No. 809: An Act Concerning Facility Fees.

Proposed S.B. No. 810: An Act Establishing a Special Commissioner on Provider Price Variation and Reform.

Proposed S.B. No. 811: An Act Concerning Parity in Hospital Sales Oversight.

Proposed S.B. No. 812: An Act Concerning Electronic Health Records and Health Information Exchange.

Proposed S.B. No. 813: An Act Concerning Health Care Price, Cost and Quality Transparency.

Proposed S.B. No. 814: An Act Promoting Accountable Care Collaboratives.

Proposed S.B. No. 815: An Act Concerning Health Care Policy and Cost Containmentment.

Chairpersons Gerratana and Ritter, Ranking Members Markley and Srinivasan, and Members of the Public Health Committee, the Insurance Department appreciates the opportunity to respectfully provide comments on the bills listed above.

As you know, insurance is a financing vehicle for the payment of provider services. Its costs are directly linked to the cost of healthcare. As such, the Insurance Department recognizes the efforts of the Connecticut General Assembly in proposing these bills which focus on a more global approach to health care reform including oversight of medical provider activities and the medical care delivery system. These proposals seek to increase transparency with respect to medical costs, network participation, treatment protocols, and interactions with insurers, as well as enable consumers to have the information necessary to make informed choices about their health care decisions.

The regulation of providers and health care delivery is the purview of the various divisions of the Department of Public Health. In contrast, the Insurance Department is tasked with regulating the insurance industry in a fair and efficient manner which promotes a competitive and financially sound insurance market for consumers, and enforcing the insurance laws to ensure that consumers are treated fairly and companies meet their policyholder obligations. The Department is mindful of the cost of health insurance and its impact on consumers. In addition to our rate review responsibilities, we also are the primary agency in overseeing cost benefit analyses of mandated health benefits – both proposed and enacted. Established by this Legislature through Public Act 09-179, the mandated benefit review program requires the department – at the General Assembly’s request – to work with the UConn Center for Public Health and Health Policy to analyze both the social and financial impacts of mandated health benefits. The findings are routinely posted on the Insurance Department’s web site and shared with appropriate members of the General Assembly.

Over the last few years, the Department, this legislature and the state as a whole has focused primarily on insurance reforms as a means of making health insurance more accessible and more consumer focused. We believe our joint efforts as legislators and regulators have created a competitive health insurance marketplace that is more transparent, more responsive, and more vibrant than in many other states. But we can do more, and a more holistic approach will allow Connecticut an opportunity to begin to address the medical provider side of health care reform and make health care more efficient and cost effective for its citizens.

The Department is supportive of concepts that further these goals. However, we do caution the legislature to be mindful of existing efforts including the State Innovation Grant and All-Payers Claim Database and to move

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forward in a coordinated fashion with all the relevant state agencies and legislative committees working collaboratively to avoid a duplication of efforts.

Thank you for the opportunity to submit comments on these initiatives.

About the Connecticut Insurance Department: The mission of the Connecticut Insurance Department is to protect consumers through regulation of the industry, outreach, education and advocacy. The Department recovers an average of more than \$4 million yearly on behalf of consumers and regulates the industry by ensuring carriers adhere to state insurance laws and regulations and are financially solvent to pay claims. The Department's annual budget is funded through assessments from the insurance industry. Each year, the Department returns an average of \$100 million a year to the state General Fund in license fees, premium taxes, fines and other revenue sources to support various state programs, including childhood immunization.