



Connecticut's Official Health Insurance Marketplace

**Testimony of Access Health CT
Before the
Connecticut General Assembly Insurance and Real Estate Committee
February 26, 2015**

Legislative Office Building, Room 2D

Senate Bill 753: AN ACT REQUIRING THE CONNECTICUT HEALTH INSURANCE EXCHANGE TO HOLD A PUBLIC HEARING PRIOR TO CHARGING AN ASSESSMENT OR USER FEE, OR CHANGING THE AMOUNT OF AN ASSESSMENT OR USER FEE CHARGED, TO A HEALTH CARRIER.

Good Afternoon Senator Crisco and Representative Megna, members of the Insurance and Real Estate Committee.

Thank you for the opportunity to give testimony before your committee.

My name is Steven Sigal, Chief Financial Officer of Access Health CT, the Connecticut State Health Insurance Exchange.

Senate Bill 753 proposes to require Access Health CT to conduct a public hearing prior to charging an assessment or user fee to a health insurance carrier. However, Access Health CT already follows a public process prior to the charging of an assessment or user fee and whenever changes to the existing assessment or user fee policy or procedure are proposed.

Access Health CT is a quasi-public agency of the State of Connecticut and is required, pursuant to the Quasi-Public Agency act, to give public notice of its intended actions, including the charging of assessments or user fees. Connecticut General Statute Section 1-121 requires that Access Health CT give the public at least 30 days' notice prior to adopting a proposed procedure through publication of the proposed procedure and its purpose in the Connecticut Law Journal, and a process for interested persons to present their views on the proposed procedure. After the 30 day notice period, Access Health CT considers the views presented by interested persons, and brings the

proposed procedure, and any changes as a result of public comment, up for discussion and a vote at a public meeting of the Access Health CT Board of Directors before the procedure is adopted.

Given this already public and transparent process, we feel strongly that the proposed legislation as written is unnecessary, would put at risk the Exchange's ability to generate consistent operating funds, and needlessly complicates productive relationships we already have with carriers.

As you know, Access Health CT already collects a market-wide assessment which is used to fund daily operations of the Exchange. Connecticut General Statute Section 38a-1083(c)(7) provides the Exchange with the legal authority to do so. Access Health CT's Board of Directors first adopted a policy and then a procedure for the collecting of this assessment in May 2013 and July 2013, respectively. A copy of the current procedure can be found on our public web site and through the link below:

[http://www.ct.gov/hix/lib/hix/Revised Procedure Exchange Assessments and Fees BrdAdopted08212014.pdf](http://www.ct.gov/hix/lib/hix/Revised_Procedure_Exchange_Assessments_and_Fees_BrdAdopted08212014.pdf)

It should be noted that pursuant to Connecticut General Statute Section 1-121 both the proposed policy and procedure were announced publicly at a Access Health CT Board of Directors meeting (which was televised on CTN), were posted in the CT Law Journal for 30 days, and were subject to a public comment period to allow for open public review and commenting. These policies and procedures were also discussed at the Finance Subcommittee meetings of the Access Health CT Board of Directors which are open to the public. Again, pursuant to already existing statute, the development of this process was very transparent.

Senate Bill 753 as written also calls for Access Health CT to alert members of the General Assembly when assessment rates are being reviewed or calculated, as well as post pertinent information used in determining the fees such as medical loss ratios (or MLRs) for carriers being assessed a fee. I am pleased to say that all of these processes are already in place. Every member of the General Assembly is alerted to the date, time, location and agenda for our monthly public Board meetings, which include regular finance updates, and is directly sent a copy of the presentation given at each meeting. These presentations are also housed publicly, in perpetuity, on the Exchange web site.

Before these presentations to the Board, the Finance Subcommittee of the Access Health CT Board, again in a meeting open to the public, reviews the budget and the proposed assessment rate for the ensuing fiscal year. Once approved, these are presented to the full Board for final approval, again at a public meeting.

Presentations detailing the assessment rates, how they will be collected, and the revenue derived from them can be found at the public link below:

[http://www.ct.gov/hix/lib/hix/FINALMASTERBoard of Directors MeetingIV-JM.pdf](http://www.ct.gov/hix/lib/hix/FINALMASTERBoard_of_Directors_MeetingIV-JM.pdf)

Since the creation of our organization in July of 2011 by the legislature, we have always strived to provide a clear, public and transparent process for the development of our policies and procedures, and the details of our operation. With that said, and considering that the majority of what this bill is calling for is already in place, I respectfully ask that you vote "no" in moving Senate Bill 753 forward.

Again, thank you for your time today, I will be happy to answer any questions the committee members may have.