



Connecticut's Official Health Insurance Marketplace

**Testimony of Access Health CT
Before the
Connecticut General Assembly Insurance and Real Estate Committee
February 24, 2015**

***S.B. 754: AN ACT LIMITING THE CHARGING OF ASSESSMENTS OR USER FEES
BY THE CONNECTICUT HEALTH INSURANCE EXCHANGE***

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

My name is Jason Madrak, Chief Marketing Officer of Access Health CT, the Connecticut State Health Insurance Exchange.

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

I was very disheartened to see the text included in Senate Bill 754, which appears to be a direct attempt to reduce our organizations funding, and substantially negatively impact our operations. As widely cited as the best performing state exchange in the country, and one which has offered more than 500,000 state residents access to quality affordable coverage, reducing CT's uninsured rate by half, it's very concerning to see efforts to undermine and weaken the organization moving forward. With no other text in the bill other than that which looks to limit funding sources, I can only assume this is its primary goal.

Right now, Access Health CT is poised to derive an annual operating budget of \$40M from assessment fee's placed on carriers in the state. The current assessment rate is 1.35%, charged as a percent of revenue derived from premiums collected by individual, small group, and dental carriers doing business in the state, whether they offer plans on Access Health CT or not. In total, medical and dental carriers operating in over 60 legal entities are being assessed this fee. The assessment process is identical to that which currently funds our states insurance department.

Access Health CT functions as a statewide marketplace, providing a public service to all residents, and offering new utility to the overall insurance landscape in CT. Additionally, Access Health CT provides valuable information and education to state residents

regarding insurance, health and wellness, all contributing to our states overall well-being. Policies and procedures adopted and enacted by Access Health CT also impact insurance offered outside the Exchange, as evident by our Essential Health Benefit standards, as well as the Affordable Care Act's mandate that plans on the Exchange must be offered for the same price outside the Exchange.

For these reasons, all carriers benefit and are impacted by the activities of Access Health CT, both directly and indirectly, whether they offer products in the marketplace or not. Additionally, with the marketplace's successful performance, we are seeing indications from additional carriers that they will soon be participating as well.

Reducing the exchanges ability to derive operating funds in its very first year of self-sustainability is misguided, and would have devastating effects on the organization, insurance carriers, and most importantly the more than 500,000 state residents using our services. For these reasons I urge you to vote "no" on advancing Senate Bill 754.