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## STATE OF CONNECTICUT

INSURANCE DEPARTMENT

### Testimony Insurance and Real Estate Committee February 18, 2016

#### **Senate Bill No. 35 An Act Requiring Health Insurance Coverage For the Purchase of Assistance Dogs.**

Chairmen Crisco and Megna, Ranking Members Kelly and Sampson and esteemed members of the Insurance and Real Estate Committee, the Insurance Department appreciates the opportunity to submit written testimony on **Senate Bill No. 35 An Act Requiring Health Insurance Coverage For the Purchase of Assistance Dogs**. Generally, S.B. 35 would require fully insured group and individual plans to provide coverage for service dogs.

The Insurance Department appreciates the intent of this bill and importance of service dogs in the lives of those they help, however, this proposal would be considered a new mandate under the rules of the Affordable Care Act and **would result in a fiscal impact to the state**.

A "mandate," or state-required benefit, includes only specific care, treatment or services that a health plan must cover. About four years ago, the state included its mandates in the benchmark package as part of the Essential Health Benefits of ACA complaints plans sold on the exchange.

HHS issued a final rule in 2013 stating that mandated benefits enacted AFTER December 31, 2011 that would be added to the Essential Health Benefits would be the financial liability of the state. In those cases, the state would be required to pay an insurance carrier or policyholder an amount that would defray premiums costs due to any new mandated benefits.

The Department thanks the Insurance Committee Chairs and members for the opportunity to submit testimony on S.B. 35.

**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. For every dollar of direct expense, the Department brings in about \$7.45 to the state in revenues. Each year, the Department returns more than \$215 million in assessments, fees and penalties to the state's General Fund.