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Insurance Committee Public Hearing

Thursday, February 18, 2016

Connecticut Association of Health Plans

Testimony in Opposition to

SB 35 AA Requiring Health Insurance Coverage for the Purchase of Assistance Dogs.

B 37 AA Requiring Health Insurance Coverage for Pediatric Autoimmune Neuropsychiatric Disorder Associated with Streptococcal Infections.

SB 38 AA Requiring Health Insurance Coverage for Patient Lifts.

: Connecticut Association of Health Plans respectfully urges the Committee's opposition to the above health ırance mandates.

ile every mandate under consideration by the legislature is laudable in its intent, each must be considered in context of the larger debate on access and affordability of health care and ***now each must also be viewed in context of federal health care reform and the applicability of the Affordable Care Act of 2010 (ACA).***

se consider recent testimony submitted by the Department of Insurance relative to another proposed date under consideration which urges the Committee to understand the future financial obligations that new lditional health insurance mandates may place on the State of Connecticut and taxpayers stating that:

> **In simple terms, all mandated coverage beyond the required essential benefits (as will be determined by HHS) will be at the State's expense. Those costs may not be delegated to the individual purchaser of insurance or the insurer.**

please note, that last year's file copy summaries for the exact same concept bills (SB 234, SB 15, SB 175) ted each as an ACA mandate and articulated the following:

> **Under the federal Patient Protection and Affordable Care Act (P.L. 111-148), a state may require health plans sold through the state's health insurance exchange to offer benefits beyond those included in the required "essential health benefits," provided the state defrays the cost of those additional benefits. The requirement applies to benefit mandates enacted by a state after**

280 Trumbull Street | 27th Floor | Hartford, CT 06103-3597 | 860.275.8372 | Fax 860.541.4923 | www.ctahp.com

December 31, 2011. Thus, the state is required to pay the insurance carrier or enrollee to defray the cost of any new benefits mandated after that date.

Many policy makers have pledged again this year to make the needs of Connecticut residents who need access to high quality affordable health care coverage a priority. In discussing these proposals moving forward, please keep in mind that:

- Connecticut has approximately **49 mandates, which is the 5th highest** behind Maryland (58), Virginia (53), California (51) and Texas (50). The average number of mandates per state is 34. (OLR Report 2004-R-0277 based on info provided by the Blue Cross/Blue Shield Assoc.)

- For all mandates listed, the total cost impact reported reflects a range **of 6.1% minimum to 46.3% maximum**. (OLR Report 2004-R-0277 based on info provided by the Dept. of Insurance)

- State mandated benefits are not applicable to all employers. Large employers that self-insure their employee benefit plans are not subject to mandates. **Small employers bear the brunt of the costs.** (OLR Report 2004-R-0277)

- The National Center for Policy Analysis (NCPA) estimates that **25% of the uninsured are priced out of the market by state mandates.** A study commissioned by the Health Insurance Assoc. of America (HIAA) and released in January 1999, reported that "...a fifth to a quarter of the uninsured have no coverage because of state mandates, and federal mandates are likely to have larger effects. (OLR Report 2004-R-0277)

- **Mandates increased 25-fold over the period, 1970-1996, an average annual growth rate of more than 15%.** (PriceWaterhouseCoopers: The Factors Fueling rising Healthcare Costs- April 2002)

- National statistics suggest that **for every 1% increase in premiums, 300,000 people become uninsured.** (Lewin Group Letter: 1999)

- "According to a survey released in 2002 by the Kaiser Family Foundation (KFF) and Health Research and Educational Trust (HRET), employers faced an **average 12.7% increase in health insurance premiums** that year. A survey conducted by Hewitt Associates shows that employers encountered **an additional 13% to 15% increase in 2003**. The outlook is for more double-digit increases. **If premiums continue to escalate at their current rate, employers will pare down the benefits offered, shift a greater share of the cost to their employees, or be forced to stop providing coverage.**" (OLR Report 2004-R-0277)

Please oppose SB 35, SB 37 and SB 38. Thank you for your consideration