



Office of the  
Healthcare  
Advocate  
STATE OF CONNECTICUT

**Testimony of Ted Doolittle  
Office of the Healthcare Advocate  
Before the Insurance and Real Estate Committee  
Re SB 544  
February 23, 2017**

Good afternoon, Senator Larson, Senator Kelly, Representative Scanlon, Representative Sampson, and members of the Insurance and Real Estate Committee. For the record, I am Ted Doolittle, Healthcare Advocate. The Office of the Healthcare Advocate (“OHA”) is an independent state agency with a three-fold mission: assuring consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health plans; and, informing you of problems consumers are facing in accessing care and proposing solutions to those problems.

I appreciate the opportunity to comment on SB 544, An Act Requiring Prior Legislative Approval of Increases in Assessments and User Fees Charged by the Connecticut Health Insurance Exchange. Under current law, Connecticut’s Health Insurance Exchange, Access Health, through its twelve-member board of directors, exercises great discretion in establishing assessments charged to health insurance carriers who may offer qualified health plans (QHPs) through the Exchange. The assessments are carefully calculated to minimize the total cost to the carriers (which are passed on to consumers) while providing sufficient cash flow to support Access Health’s important business operations, which include: approving plan offerings marketed on the Exchange; enrolling hundreds of thousands of Connecticut residents who rely on the Exchange to access qualified health

plans or HUSKY benefits; processing advanced premium tax credits that make health care coverage more affordable to thousands of Connecticut residents; and building and maintaining the All Payer Claims Database that houses important information on health care costs in Connecticut. Since its inception in 2011, Access Health has managed to implement and maintain these critical functions, even as federal support for its start-up and ongoing operating expenses has swiftly declined from year to year.

As our dynamic health insurance market continues to evolve, the Exchange must have the agility to adapt quickly when changes occur in the regulatory environment. This has never been truer than it is today, with the impending changes to our health care system that have been proposed by the President and members of Congress.

Among the important tools available to the Exchange is the ability to modify its revenue streams, as well as its operating expenses. As a quasi-public agency, it is quite reasonable that the Exchange should be subject to a degree of supervision by policymakers in the General Assembly. However, the level of oversight proposed by SB 544 would necessarily sacrifice an important aspect of Access Health's discretion at the time when flexibility is most needed. If the Exchange is required to procure committee approval, even during periods when the General Assembly is not in session, in order to adjust its assessments or user fees – or to change the method for calculating assessments and fees, which may result in a lower cost to carriers – it could potentially force the Exchange either to rely on other funding sources, such as unnecessary borrowing, or to neglect one or more of its critical functions. The risk is that the Exchange would not have the necessary resources over the next year or two to navigate what is sure to be a critical time in its history.

In order to avoid any such unintended consequences, and only because of the risk-filled era that the Exchange is in at this point, I would instead suggest that action on the process promoted by SB 544 be deferred until after we have a better understanding of the changes that our national healthcare policy will experience. To clarify, this office strongly supports the principles of SB 544; our only concern is timing. If the General Assembly nevertheless decides that a statute is needed in this session, then I strongly recommend adding

appropriate safeguards, such as either delaying the statute's effective date for a year or more, or adding a bypass mechanism granting the Exchange's board to directors the flexibility to implement assessment increases quickly under certain emergent conditions.

Thank you very much for your consideration of this testimony. If you have any questions concerning our position on this issue, please feel free to contact me at [Ted.Doolittle@ct.gov](mailto:Ted.Doolittle@ct.gov).