



**TESTIMONY BEFORE THE  
INSURANCE AND REAL ESTATE COMMITTEE  
LEGISLATIVE OFFICE BUILDING  
March 7, 2017**

My name is Jennifer Herz and I am Counsel for the Connecticut Business & Industry Association (CBIA). CBIA represents thousands of large and small companies throughout Connecticut. We have been representing Connecticut's employers for more than 200 years and we are proud to say that the vast majority of our members are small employers.

Connecticut's employers are very concerned with the cost and quality of healthcare. In a 2015 survey, CBIA's members listed healthcare costs in their top 3 greatest concerns. Connecticut's employers contribute to their employees' premiums and other health care costs and rising premiums/costs make it more and more difficult for employers to help pay for their employees healthcare. Equally important, employers value the bottom line contribution of healthy employees because that means a productive, innovative workforce.

**CBIA submits this testimony in opposition to SB 925 and SB 926 on today's agenda.**

S.B. No. 925 (RAISED) AN ACT CONCERNING THE COST OF PRESCRIPTION DRUGS AND VALUE-BASED INSURANCE DESIGN

CBIA has been a supportive partner in the Connecticut's State Innovation Model (SIM) and specifically the SIM's Value Based Insurance Design initiative. We have worked with the SIM team to make connections within our membership, including both large and small employers. In addition, we have spent time with SIM staff discussing health care policy and outreach to our members. CBIA is supportive of aspects of SIM and VBID because our members want to part of innovative solutions to help health care cost and quality. However, a consistent thread throughout our commitment to this project has been a representation that VBID would not be mandated in Connecticut but instead a voluntary initiative.

While CBIA appreciates the many attributes of VBID it is an initiative that our members want to choose instead of be told (Section 2). We strongly urge the Committee to take a look at the progress that has been made by the SIM office<sup>1</sup> and we encourage you to not impede that progress with a mandate.

CBIA also opposes mandating the specific standards for prescription drug contracts and pricing included in this bill. While our members certainly agree health care cost is a top concern we urge the committee to approach this challenge while being mindful of the current federal uncertainty. The current uncertainty in federal health care policy means an orderly state approach is even more important. Furthermore, since the taskforce previously created to address this issue did not have the opportunity to share recommendations with this committee it may be prudent to utilize that process before implementing new requirements. **CBIA opposes the changes in SB 925.**

S.B. No. 926 (RAISED) AN ACT CONCERNING STOP-LOSS INSURANCE POLICIES FOR HEALTH CARE OR MEDICAL BENEFITS

**CBIA** is opposes the changes included in **SB 926** because of the potential negative impact on smaller employers. While stop loss is an important tool for employers who wish to self-insure it is also subject to abuse. With health care costs a constant and increasing concern for smaller employers some are looking to other options such as self-insurance options to continue to offer their employees health insurance coverage. This may be a good option for some employers. However, it is important that protections are in place to also protect the small employers and the small group insurance pool from bad actors. Currently, the Department of Insurance has established protections under Bulletins it has issued that we believe serve the needs of our members. We oppose changes to the current system of protections.

S.B. No. 928 (RAISED) AN ACT ESTABLISHING A TASK FORCE TO STUDY METHODS OF DEVELOPING, EXPANDING AND IMPROVING THE INSURANCE INDUSTRY WORKFORCE IN THIS STATE

One of the attributes Connecticut is best known for is our talented workforce. This is especially true of our renowned insurance workforce. **CBIA supports SB 928** and its focus on ensuring the high caliber of the future workforce in this important industry. We look forward to continuing this discussion.

Thank you for the opportunity to comment. **CBIA** looks forward to the opportunity to partner on health care policy.

---

<sup>1</sup> <http://www.healthreform.ct.gov/ohri/site/default.asp>