



**John Blair, CBIA
Testimony before Insurance and Real Estate Committee**

**Legislative Office Building
Tuesday March 7, 2018**

My name is John Blair and I'm here on behalf of the Connecticut Business & Industry Association. CBIA represents thousands of businesses throughout Connecticut, and the vast majority of these are small companies employing less than 50 people.

Connecticut's employers continue to be concerned about the cost and quality of health care. Legislation that includes new mandates, assessments, or fees on the health insurance industry will only increase premiums.

Employers contribute to their employees' health care, and increased premiums make it harder for employers to continue making those contributions.

Our members understand the value of a healthy and productive workforce—in fact, their businesses depend on it. It's why we're asking the legislature to show restraint when considering additional measures that will cost Connecticut's struggling employers.

H.B. No. 5384 (RAISED) AN ACT CONCERNING PRESCRIPTION DRUG COSTS.

This legislation, an outgrowth of the Health Care Cabinet, focuses on prescription drug costs. While prescription drug costs are a critical component of overall healthcare spending—roughly 10 to 15%—it bears mentioning that segregating this one component of healthcare costs that our members and their employees pay can distort the full spectrum overall healthcare costs. That said, we join those expressing concern about Section 6 of the bill, and the unintended impact that it could have on spiking health insurance premiums.

H.B. No. 5380 (RAISED) AN ACT CONCERNING CLINICAL PEER REVIEW PERFORMED FOR PURPOSES OF A UTILIZATION REVIEW.

CBIA respectfully requests the Committee take no action on HB 5380. Connecticut statutes currently provide for governance around medical necessity determinations, and our law has served as a model for most of the country.

This bill, however, alters the definition of "clinical peer." In doing so, we are concerned that the volume of utilization reviews may spike, making it impossible to keep up with current determinations, adverse determinations, and concurrent and prospective reviews.

The bill would also limit the reviewer to a person who is domiciled in Connecticut, thereby limiting the pool of experts in a manner we believe serves little utility.

S.B. No. 380 (RAISED) AN ACT REQUIRING HEALTH INSURANCE COVERAGE OF A PRESCRIBED DRUG DURING ADVERSE DETERMINATION REVIEWS AND EXTERNAL REVIEW PROCESSES.

This legislation, which requires coverage for prescriptions while denials are under appeal, is disconcerting because it may lead to increased insurance rates without providing any commensurate benefit to our members, their employees, or families.

Connecticut law provides an effective and meaningful process to settle coverage disputes, and features an expedited process for covered individuals and their treating health care providers to appeal a health insurer's coverage determination. The state's utilization review requires that a decision by an independent third party be rendered in 72 hours when a consumer or his or her provider file an urgent care or expedited appeal.

Perhaps this is why this exact legislation has been rejected by the General Assembly six times over the past seven years. CBIA opposes SB 380.

S.B. 378 (RAISED) AN ACT CONCERNING REIMBURSEMENTS UNDER CERTAIN HIGH DEDUCTIBLE HEALTH PLANS

CBIA opposes this bill, as it threatens to invalidate the tax qualified status of high deductible plans. Many of our members who have high deductible health plans set up tax qualified Health Savings Accounts (HSAs) to help pay for medical expenses they incur prior to satisfying their deductible. This bill would remove that important consumer tax benefit. It could also lead to higher insurance premiums.

Thank for your time and consideration of CBIA's positions. We stand ready to work with you on these and the other matters before you this session.