STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony
Insurance and Real Estate Committee
February 27, 2018

Senate Bill No. 206 an Act Authorizing Pregnancy as a Qualifying Event for Special Enrollment Periods for Certain Individuals.

Committee Chairs, Vice Chairs, Ranking Member, and Members of the Insurance and Real Estate Committee, the Insurance Department appreciates the opportunity to submit testimony on **Senate Bill No. 206 An Act Authorizing Pregnancy as a Qualifying Event for Special Enrollment Periods for Certain Individuals.** S.B. 206 would require health insurers to provide a special enrollment period triggered by pregnancy.

The Department believes that it is important for women to have access to prenatal care, but believes that the best way to ensure that access is to encourage people to maintain continuous health insurance coverage. Qualifying events are those special circumstances that allow an individual to buy health insurance after the open enrollment deadline. Insurance is predicated on the practice of spreading the cost over all enrollees in a risk pool for the premium period. The Department opposes this bill because expanding the qualifying events to include pregnancy has the potential to encourage people to buy insurance only when it is needed, thus driving up costs for the everyone and increasing premiums to cover the added costs.

The Department has reviewed the impact of mandating health insurance coverage in Connecticut for pregnancy as a qualifying event. The Department surveyed health insurance carriers in Connecticut to determine what the potential per member per month (PMPM) cost would be. The Department found that the PMPM for mandating coverage of pregnancy as a qualifying event would range from $2.50 to $4.00 PMPM, or $30.00 to $48.00 per member per year. This range represents what would be a significant increase to health insurance premiums.

Under the Affordable Care Act (QACA), insurers cannot deny coverage based on pre-existing conditions. However, pregnancy is not a qualifying event for special enrollment under the ACA. Further, in February 2017, the federal government proposed rules to tighten qualifying events for special enrollment periods in order to limit episodic health insurance purchases – buying a policy only when needed because of the negative impact on the risk pool.

The Department thanks the members of the Insurance and Real Estate Committee for the opportunity to submit testimony on Senate Bill No. 206.

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. In 2017, the Department recovered almost $7 million 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 more than $5.00 to the state in revenues. In 2017, the Department returned about $125 million in assessments, fees and penalties to the state's General Fund.