



## **Testimony in Opposition to House Bill 373**

### **An Act Concerning The Connecticut Health Insurance Exchange, Low Option Benefit Design And Short-Term Care Policies**

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March 8, 2018**

Chairs and members of the Insurance and Real Estate Committee, thank you for the opportunity to speak on Senate Bill 373, *An Act Concerning The Connecticut Health Insurance Exchange, Low Option Benefit Design And Short-Term Care Policies*.

Universal Health Care Foundation of Connecticut envisions a state where everyone has access to quality, affordable health care. We recently drafted principles for universal health care to further define that vision:

- Universal: Access to coverage and care when and where you need it, leaving no one out
- Continuous: No gaps in coverage throughout your life
- Affordable: For all income levels
- Sustainable: For the economy
- Healthy Outcomes: High quality, safe, comprehensive, and equitable care that promotes health

We oppose SB 373, because it appears to take us in the opposite direction of these principles, moving us backwards toward insurance coverage that doesn't cover anything.

#### Low option benefit design plans

SB 373 proposes allowing a "low option benefit design plan", defined in Section 1 as offering, "alternative levels of cost-sharing, including deductibles, coinsurance and copayments". The idea behind these plans appears to be to lower premiums by raising out of pocket costs.

No one plans to get a serious chronic illness or have an accident that lands them in the hospital. That is why even healthy people need and want health insurance that covers them for both planned and unplanned health services.

Recently, the Health Plan Benefits and Qualifications Advisory Committee of Access Health CT reviewed a presentation at their December 13, 2017 meeting of just what low option plans could look like. Here is a link to that presentation:

[http://agency.accesshealthct.com/wp-content/uploads/2017/12/AHCT\\_2018StdPlanDesigns\\_2019Alternatives-.pdf](http://agency.accesshealthct.com/wp-content/uploads/2017/12/AHCT_2018StdPlanDesigns_2019Alternatives-.pdf)

Below are some examples from the benefit descriptions of Alternatives 1 and 2 of Gold level coverage for an individual, compared with the current Access Health CT plan. These plans would potentially offer premium savings of between 20-25%, premium savings that are only relevant to the approximately 25% of customers who do not receive subsidies.

| Benefit   | AHCT 2018   | Alternative 1                               | Alternative 2                              |
|---|---|---|--|
| Medical deductible in-network                               | \$1,250   | \$2,000                                     | \$1,500                                    |
| Medical deductible out-of-network                           | \$3,000   | \$15,000                                    | Not covered                                |
| Separate prescription deductible                            | \$50  | No-must meet medical deductible             | No-must meet medical deductible            |
| Out-of-pocket-maximum, in-network                           | \$4,400   | \$6,250                                     | \$7,350                                    |
| Out-of-pocket-maximum, out-of-network                       | \$8,800   | \$20,000                                    | Not covered                                |
| Inpatient hospitalization, After deductible, in-network     | \$500 copayment per day to a maximum of \$1,000 per admission | 20% coinsurance per visit                   | 10% coinsurance per visit                  |
| Inpatient hospitalization, After deductible, out-of-network | 30% coinsurance per admission                                 | 50% coinsurance per visit                   | Not covered                                |
| Emergency room  | \$200 co-pay per visit  | 20% coinsurance per visit, after deductible | 10% coinsurance per visit after deductible |

To call a low option benefit plan that looks like these alternatives an insurance plan at all is highly questionable. Better, more accurate names might be, "Pray I Don't Get Sick" plan, or, "Let's Shift as Much Risk onto the Member as Possible Plan". These plans would also add more administrative costs onto providers as hospitals, physician offices and other health providers would get even deeper into the bill collection business than they are now.

We oppose allowing such plans to be offered through Access Health CT or outside the exchange. They provide the illusion of insurance, with virtually no coverage.

#### Short-term policies

Section 5 of SB 373 appears to allow short-term insurance plans to be offered through Access Health CT. By definition, these plans do not meet the standards that Qualified Health Plans (QHPs) are required to meet and they move us away from the principles of universal health care listed at the beginning of this testimony.

The Trump administration, in an effort to further undermine the Affordable Care Act, is seeking to allow these plans to cover people for longer time periods. They pose a serious threat to the stability of the insurance market. People who perceive themselves to be healthy will purchase these lower cost plans, opening themselves up to serious financial risk should they find themselves in need of health care. Meanwhile QHPs will find themselves with a shrinking pool of sicker members, many of them with pre-existing conditions, and insurance rates will rise.

Connecticut should be doing everything we can to ban the sale of expanded short term plans, not writing legislation in order to offer them.

#### Access Health CT Board

We note that SB 373, Section 3, makes a change to Access Health CT Board terms. We would like to use this opportunity to suggest that this section should be amended to add consumer members to the Board. This lack of consumer representation has trickled down to the Advisory Committee level, too. For example, the Health Plan Benefits and Qualifications Committee has no consumer members. And the Consumer Experience and Outreach Committee rarely meets and has few members.

Adding consumer members to the Board would help to assure that it is making decisions in the best interest of its customers.

*Universal Health Care Foundation of Connecticut's mission is to serve as a catalyst that engages residents and communities in shaping a democratic health system that provides universal access to quality, affordable health care and promotes health in Connecticut. We believe that health care is a fundamental right and that our work is part of a broader movement for social and economic justice.*