



**TESTIMONY OF  
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CONNECTICUT BUSINESS AND INDUSTRY ASSOCIATION  
SUBMITTED TO THE  
INSURANCE & REAL ESTATE COMMITTEE  
MARCH 8, 2018  
LEGISLATIVE OFFICE BUILDING  
STATE CAPITOL  
HARTFORD, CONNECTICUT**

Senator Larson, Senator Kelly, Representative Scanlon, Representative Sampson, members of the Committee, thank you for the opportunity to submit testimony on behalf of the Connecticut Business & Industry Association (CBIA), which represents thousands of firms, both large and small, supporting a workforce of hundreds of thousands of Connecticut residents.

Connecticut's employers are very concerned with the cost and quality of healthcare. In a recent survey, our members listed healthcare costs in their top 3 greatest concerns. This should come as no surprise, as the cost of healthcare continues to rise at a rate outpacing the overall rate of inflation.

Our members highly value a healthy and productive workforce—in fact, their businesses depend on it. Employers invest in their employees' health care, and rising premiums make it more and more difficult to continue making those contributions. This is why we're asking the legislature to show restraint when considering additional measures that will cost Connecticut's struggling employers.

We respectfully submit the following comments on legislation before you today.

**H.B. 5039, AN ACT PROTECTING HEALTH CARE FAIRNESS AND AFFORDABILITY.**

There are two aspects of this legislation that are of primary concern to our members.

CBIA applauds Section 9 of the bill, which changes how the General Assembly enacts new health mandates by empowering the legislature's Insurance Committee to require the state insurance commissioner to review up to 10 mandated health benefits and report back to the General Assembly the following year. This is similar to SB 201, which CBIA supported at the February 27, 2018 public hearing of this committee. We prefer HB 5039's authorization for up to 10 reviews per year and SB 201's provision that would prohibit the General Assembly from establishing a new mandated health benefit without first receiving a cost/benefit analysis and holding an informational hearing on the mandate, or unless the mandate is approved by a two-third's vote of the committee.

Section 10 of the bill helps correct an unintended result of legislation passed in 2015 to protect consumers from the impacts of surprise bills. This section will correct an inadvertent situation that prompted hospital emergency room departments to maximize third-party payments by remaining out-of-network. Thus, a patient may be using an in-network hospital and end up being billed for out-of-network charges from the emergency department. We urge passage of this section.

**S.B. 376, AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR PROSTHETIC DEVICES.**

CBIA respectfully requests the Committee take no action on this bill until the aforementioned mandate review provisions in HB 5039 and SB 201 are reconciled and adopted.

Roughly 95% of CBIA's members are small employers with 50 and fewer employees. New health benefit mandates directly impact small employers because these mandates only apply to companies that fully insure. Typically, smaller employers fully insure because they cannot afford to self-insure. Larger companies that are able to self-insure are exempt from state requirements and instead subject to federal rules. We must work together to ensure health insurance is affordable for all of Connecticut's residents and CBIA is especially concerned about Connecticut's small employers.

While we certainly agree not all new mandates are cost prohibitive, and present positive benefits to the insured, we must also be prudent in adopting new measures and be sure we have all the data to substantively analyze new measures.

**S.B. 372, AN ACT REQUIRING PRIOR LEGISLATIVE APPROVAL OF INCREASES IN ASSESSMENTS AND USER FEES CHARGED BY THE CONNECTICUT HEALTH INSURANCE EXCHANGE.**

CBIA strongly supports this bill, which, as the title states, requires the Connecticut Health Insurance Exchange to receive the approval of this committee before (1) increasing the amount of any assessment or user fee, or (2) implementing or changing any process used to increase the amount of any assessment or user fee.

Currently, Access Health charges health insurance companies an assessment based on their business in the fully insured and dental market. Although chaired by the lieutenant governor, the Access Health Board of Directors is an unelected body that has the power to levy fees.

We believe this bill provides the public accountability necessary to oversee these assessments, which can be passed along to our members and their employees in the insurance premiums they pay. It is a prudent, necessary check and balance.

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.