



Quality is Our Bottom Line

Insurance Committee Public Hearing

Thursday, March 8, 2018

Connecticut Association of Health Plans

Testimony in Opposition to

SB 376 AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR PROSTHETIC DEVICES

SB 374 AN ACT REQUIRING THAT HEALTH CARRIERS USING THE CONNECTICUT HEALTH INSURANCE EXCHANGE PAY A MINIMUM COMMISSION TO CERTAIN INSURANCE PRODUCERS

SB 381 AN ACT CONCERNING DISCLOSURE OF CERTAIN THIRD-PARTY ADMINISTRATOR FEES

HB 5385 AN ACT ESTABLISHING A WORKING GROUP TO STUDY HEALTH INSURANCE PREMIUM RATE INCREASES AND DEVELOP RECOMMENDATIONS TO MITIGATE SUCH INCREASES

SB 376

The Connecticut Association of Health plans respectfully opposes SB 376. The bill proposes yet another health insurance mandate that will only drive up premiums further. Affordability continues to be the number one priority for consumers in selecting insurance. Layering on additional requirements to an already overly generous state statute is ill advised particularly when price sensitivity should be at the forefront of our agenda. Furthermore, the ACA requires that states absorb the full cost of any new mandates that rise above and beyond what's required under the Affordable Care Act. As such, SB 376 will likely carry a fiscal note which will only exacerbate the state's current fiscal crisis.

We urge your rejection of SB 376.

SB 374

SB 374 requires Qualified Health Plans (QHPs) that participate on the Exchange to pay broker commissions in an amount to be determined by the Exchange Board. This bill is unnecessary. The Exchange Board voted to require broker commissions at their meeting on

February 16th, 2017. Creating a statutory mandate around commissions is ill-advised and ties the state's hands at a time when the future of the Affordable Care Act is uncertain at best. The Board is the best entity to determine whether the cost of broker commissions is worth the associated increase in premium. It's a balance that may tilt one way or another depending on the year. Anecdotally, we hear that most commissions are paid on renewals. At some point in time, the Board may determine that such commissions are not the wisest use of health care dollars and state statute should not prohibit the Board from deciding that consumers would be better served by their elimination. *We urge the committee's rejection of SB 374.*

SB 381

The Connecticut Association of Health Plans opposes passage of SB 381. State statute should not dictate the terms of two privately contracting entities. These matters should be left to the agreement of the parties involved. Furthermore, some of the testimony submitted appears to reference an interest in getting around ERISA preemption provisions which states lack the authority to do given the federal parameters. **We respectfully urge your opposition to SB 381.** Thank you for your consideration.

HB 5385

Health insurance premiums are merely a reflection of health care costs. Premiums are already subject to rigorous rate review and carriers are held to strict Medical Loss Ratio (MLR) standards in terms of how much of the premium dollar must be spent on associated medical costs - 80% in the small group market and 85% in the large group market. While we welcome the focus that this bill brings to health insurance cost drivers, we would *respectfully suggest that the cause could be better served by resisting the temptation to adopt new mandates and other regulatory restrictions.* Pharmaceuticals, in particular, have skyrocketed with the costs of various drugs increasing 600% overnight, yet the Committee is considering a number of proposals this session that further strengthen the hand of pharmaceutical companies against insurers. We urge your rejection of HB 5385.