



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony Insurance and Real Estate Committee March 8, 2018

Senate Bill No. 376 An Act Concerning Health Insurance Coverage for Prosthetic Devices.

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. 376 An Act Concerning Health Insurance Coverage for Prosthetic Devices**. S.B. 376 would require health insurers to provide coverage for prosthetic devices.

The Insurance Department opposes this bill because if enacted it would create a new mandate and consequently new costs for state of Connecticut under the federal Affordable Care Act (ACA) for health plans sold on the Exchange (Access Health CT). Under the ACA, essential health benefits are those mandated benefits that states enacted on or before December 31, 2011. The state is required to defray the cost of any new mandated benefit or expanded benefit added after this date.

Section 1311(d)(3)(B) of the ACA permits a state to require qualified health plans, which are sold through the Exchange, to offer benefits in addition to the essential health benefits already selected by Connecticut, but it requires the state to defray the cost of these additional benefits for Exchange plans and the State employee health plan.

The Department of Health and Human Services (HHS) issued a final rule on February 25, 2013 that recognizes only those mandated benefits that were enacted on or before December 31, 2011 to be considered part of the essential health benefits. The state would be required to make payment to defray the cost of any new benefits specific to care, treatment and services which are enacted this session.

The Department cautions the Insurance and Real Estate Committee that any new state mandated benefits enacted in 2018 can have a fiscal impact to the State of Connecticut. Coverage for prosthetic devices was not a benefit required to be covered prior to December 31, 2011, and therefore would be a new mandate for which the State of Connecticut would be required to defray the cost.

The Department thanks the members of the Insurance and Real Estate Committee for the opportunity to submit testimony on Senate Bill No. 376.

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.