

Insurance and Real Estate Committee

JOINT FAVORABLE REPORT

Bill No.: HB-5385

AN ACT ESTABLISHING A WORKING GROUP TO STUDY HEALTH
INSURANCE PREMIUM RATE INCREASES AND DEVELOP

Title: RECOMMENDATIONS TO MITIGATE SUCH INCREASES.

Vote Date: 3/20/2018

Vote Action: Joint Favorable Substitute

PH Date: 3/8/2018

File No.:

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SPONSORS OF BILL:

Insurance and Real Estate Committee

REASONS FOR BILL:

This bill will create a working group to study health insurance premium rate increases in this state and develop recommendations to reduce increases.

Substitute Language:

LCO # 2819

In Section 1 removes the word (NEW)

RESPONSE FROM ADMINISTRATION/AGENCY:

State of CT House Republican Office submitted testimony stating the because of recent health insurance premium hikes, increased deductibles and limited consumer options, state legislators are frequently asked what can be done to reduce the impact on consumers. These changes place a massive burden on both individuals and employers. We are dealing with the headwinds of federal law as well as market forces so our options are somewhat limited.

This bill is a proactive step which would bring together elected officials, agency leaders, industry experts, and consumers to explore concepts including but not limited to:

The multitude of cost drivers for health insurance

New approaches utilized in other states to address similar problems

Ways to foster greater options for consumers

This bill is the first step in that process.

James Wadleigh, CEO- CT Health Insurance Exchange testified that with the creation of Office of Health Strategy, its primary mission is to focus on lowering healthcare costs while improving the quality of care and ensuring access to care. We suggest that this work be undertaken by the Office of Health Strategy.

NATURE AND SOURCES OF SUPPORT:

CT Conference of Municipalities testimony stated they support the language in the bill providing the committee the opportunity to review and act on the recommendations provided by the working group to help reduce the financial impact of mandated health benefits.

CT Hospital Association likes the intent of the bill but asks for the bill to be amended as follows:

One representative of the CT Hospital Association, appointed by the President/CEO of the Association.

NATURE AND SOURCES OF OPPOSITION:

CT Association of Health Plans feels that health insurance premiums are merely a reflection of health care costs. Premiums are already subject to rate review and carriers are held to strict Medical Loss Ratio standards in terms of how much the premium dollar must be spent on associated medical costs-80% in the small group market and 85% in the large group market. We suggest that the cause could be better served by resisting the temptation to adopt new mandates and other regulatory restrictions.

Karen Siegel, CT Voices for Children feels the efforts of the legislature to study proposals to reduce the impact of any changes to federal law and stabilize premium rate. They are concerned that the proposed membership of this working group may limit the perspective of its recommendations. The proposed membership does not ensure representation of children's health needs. Children's needs are often different from adults and pediatric preventative care and treatment can have lifelong benefits.

We suggest that the appointee and required members include at least one health care advocate and an additional consumer, who is the parent of a child with special needs.

Reported by: Diane Kubeck

Date: March 27, 2018