



TESTIMONY BEFORE THE
INSURANCE AND REAL ESTATE COMMITTEE
LEGISLATIVE OFFICE BUILDING
FEBRUARY 7, 2019

My name is Michelle Rakebrand and I am Assistant Counsel for the Connecticut Business and Industry Association (CBIA). CBIA is the largest business association in Connecticut and has represented both small and large businesses for over 200 years. We are proud to say that most of our membership is made up of small employers.

CBIA is opposed to adopting any new health insurance mandates without a complete analysis on the impact of both the cost and quality, including those proposed in SB 15, SB 33, HB 5211, HB 5213, HB 5518, and HB 5724.

A top concern for employers in Connecticut is the cost of healthcare. Through cost-sharing, Connecticut employers substantially contribute to the payment of healthcare premiums and costs on behalf of their employees. With each new requirement to cover or expand additional services or devices, the cost of health insurance increases, especially to small employers, who are not required to offer health insurance, but choose to do so.

Our members greatly appreciate the importance of healthcare coverage and the necessity of a healthy workforce. This is why we are asking the legislature, as we have done in the past, to strongly consider weighing the value of the proposed benefit against the cost of the measure before legislating additional healthcare mandates.

A health benefit review of health insurance mandates would go further than the fiscal note provided by the Office of Fiscal Analysis. This review would additionally include: the portion of the population that would utilize the benefit, the extent to which the benefit is currently available, the extent to which coverage is already available, the level of public demand for the benefit, the impact the benefit would have on the availability of other benefits, the cost to carriers and employers, as well as the overall social implications of the mandate.

CBIA opposes the above referenced healthcare mandate bills because of the enormous cost implications they will have on employers, and in turn suggests the adoption of a health benefit review that would provide full transparency to legislators on the impact of any proposed healthcare mandates.

CBIA is opposed to any legislation that proposes a change in process on the part of the health plans that would require the carriers to incur further costs, which would be passed on to employers through cost-sharing. The following bills are expected to increase costs due to an alteration in utilization:

SB 29 An Act Concerning the Burden of Proof During Adverse Determination and Utilization Reviews.

SB 29 would require health carriers, rather than the provider, to bear the burden of proving that certain health care services under adverse determination or utilization review are not medically necessary. It would be incredibly onerous and costly for carriers to develop and implement a determination process. That burden would be realized by employers and individuals by increasing premiums. It would also result in a prolonged determination process and a delay in medical treatment.

SB 36 An Act Prohibiting Health Carriers From Requiring the Use of Step Therapy for Certain Prescription Drugs.

With the cost of prescription drugs incrementally increasing, step therapy encourages safe and cost-effective medication usage. Higher cost or brand medications don't always provide the best course of action. Economical treatments should be employed before more expensive measures, when medically advisable, to ensure the treatment option is effective and affordable.

SB 37 An Act Requiring Health Insurance Coverage of Prescribed Drugs During Adverse Determination Reviews and External Review Processes.

While CBIA is opposed to SB 37 as a mandate, the change in utilization characteristics of the bill have potential to be even more costly. The bill requires carriers to cover the cost of prescription drugs while such denials are under appeal. This would lead to a premium increase for the coverage of medication during this review period. However, the more pressing question is, who is responsible for the the cost of the prescribed drug during the determination period if the claim is denied? This bill would have dramatic cost implications on health insurance.

SB 38 An Act Reducing the Time Frame for Urgent Care Adverse Determination Review Requests.

SB 38 reduces the time frame for urgent care adverse determination review requests from seventy-two to forty-eight hours. Such a reduction would require additional resources and staff to be expended by the carriers in order to render a determination in the proposed time period. This would inevitably come at an additional cost to employers and individuals.

SB 40 An Act Requiring Site-Neutral Payments for Health Care Services.

While CBIA certainly appreciates the cost control and predictability that SB 40 intends to offer, there is equal potential that site-neutral payments could increase costs. Currently, hospitals and freestanding clinics are paid on different fee schedules, with hospitals generally getting reimbursed at an elevated rate due to the broad range and complexity of services they provide.

To allow hospitals to continue to effectively operate under a site-neutral payment system, either the clinics would need to raise their payments to match that of the hospitals, or the hospitals would shift those costs to carriers. Both options would drive up the cost of insurance for employers and individuals.

Thank you for your time and consideration on the aforementioned bills.