



TESTIMONY BEFORE THE
INSURANCE AND REAL ESTATE COMMITTEE
LEGISLATIVE OFFICE BUILDING
FEBRUARY 14, 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 stands in strong support of SB 318 and SB 322. Any increase in assessments determined by Access Health's board of directors raises employer premiums in order to subsidize the state's healthcare exchange program.

SB 318 would establish a new procedure, requiring the legislature to approve any increase in Access Health assessments or user fees, rather than just a majority vote by the board of directors. Each time the assessment is raised, those costs are passed along to employers in the form of higher premiums. Access Health charges health insurance companies an assessment based on their participation in the fully insured and dental market. Currently, there is a 1.65% assessment applied to all individual and small group health plans to cover Access Health's operational costs. The assessment is applied across the board to insurance plans, not just those sold through the exchange. Access Health should be a self-sustaining entity, but since it does not operate as such, there must be a checks and balances system in place to ensure that any assessment fees levied are reasonable, justified, and do not place an undue burden on those in the impacted fully insured markets.

SB 322 imposes term limits on members of the board of directors of the Connecticut Health Insurance Exchange, while also requiring that all members of the board have insurance experience. The board of directors, which is chaired by the Lieutenant Governor, is an unelected body that has the power to unilaterally and arbitrarily levy fees. Limiting a members term on the board and requiring previous insurance experience will ensure revitalized expertise and accountability to the board. The assessment was last raised by the board in 2015. The majority vote increased the assessment to approximately \$277 per year for a family of four. While the cost of this assessment may seem nominal on its face, it is only one of numerous mandates, assessments, and fees that contribute to the ever-increasing cost of health insurance for both small and large 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 135, SB 317, SB 327, SB 339, and HB 5850.

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.

Thank you for your time and consideration. I welcome any questions you may have.