

Insurance and Real Estate Committee JOINT FAVORABLE REPORT

Bill No.: SB-902

Title: AN ACT CONCERNING HIGH DEDUCTIBLE HEALTH PLANS.

Vote Date: 3/14/2019

Vote Action: Joint Favorable

PH Date: 2/28/2019

File No.:

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SPONSORS OF BILL:

Insurance Committee

REASONS FOR BILL:

To create certain patient protections for residents of our state who are covered under high deductible health plans. This legislation would require these plans to apply annual deductibles on a calendar year basis and prorate annual deductibles so that circumstances such as a change in employment do not require that an individual meet the annual cost-sharing twice.

RESPONSE FROM ADMINISTRATION/AGENCY:

Office of the Health Care Advocate, Tom Doolittle – Supports SB 902, believes it will help to protect consumers

NATURE AND SOURCES OF SUPPORT:

Senator Martin Looney – “The bill would benefit families because it would prohibit annual deductibles that vary due to family size. I would also encourage you to include language from SB 28 that allows providers to directly bill insurers for patients with high deductible plans.”

CT State Medical Society – Supports SB 902, believes it would provide greater flexibility to the high deductible health plan impact on patients and physicians

Michael Crain, MD, Radiological Society of CT – Believes SB 902 will bring several elements of fairness to the high deductible process. “First, a policy’s deductible will need to be pro-rated if the enrollee obtains the health plan months into the calendar year. Second, deductible payments made to a different policy that same year would be counted against the

new policy limit. Finally, there are protections against multiplying the deductible based on the number of members of a family”

Tom Swan, CT Action Group – “We support 902 because it attempts to address some of the challenges families have in navigating these scam plans. It helps people who change plans due to a change in status during a year and ends the family penalty. If it is permissible, we would call for an outright ban on these plans and we believe they are a strong argument for single payer health care or at least a public option”

NATURE AND SOURCES OF OPPOSITION:

CBIA – “SB 902 seeks to address the increased financial contributions of employees by minimizing the annual deductible cap and maximizing the services that count towards meeting the deductible. However, SB 902 does not consider the reason employers offer high deductible health plans in the first place”

CT Association of Health Plans – “SB 902 would likely increase the administration costs of carriers – another impact that would be felt by consumers in the price of premiums. Second, until we address the underlying cost of health care and recognize the and support the efforts of health plans to lower those costs, proposals such as SB 902 will simply shift the cost from consumers from the deductible side of the equation to the premium side and as a result you may see employers drop coverage for their employees all together”

Reported by: Sera Vicki

Date: 4/1/19