Human Services Committee
JOINT FAVORABLE REPORT

Bill No.: HB-7339
Title: AN ACT CONCERNING A PUBLIC INSURANCE OPTION.
Vote Date: 3/21/2019
Vote Action: Joint Favorable Substitute
PH Date: 3/19/2019
File No.: 

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SPONSORS OF BILL:
Human Services Committee

REASONS FOR BILL:

House bill 7339 would expand access to affordable health insurance to consumers in Connecticut.

Substitute Language on House Bill 7339 narrows potential eligibility to persons ineligible for Medicaid who make up to 400 percent of the federal poverty limit, extend the timeline from 2021 to 2022; would build safeguards for current Medicaid beneficiaries; would change appointing authority for most members to legislative leaders and would make executive director of Office of Healthcare Strategy chair.

RESPONSE FROM ADMINISTRATION/AGENCY:

Victoria Veltri, Executive Director, Office of Health Strategy; this proposal underpins all of OHS’ existing work and acknowledges the complexity of both the issue and the consequences of failing to account for issues that would impact an individual’s ability to receive quality care. OHS is also launching a collaboration with the state Comptroller, CT Health Foundation, and Universal Health Care Foundation of CT to develop an affordability standard for healthcare so health care policies can be tested against a valid measure of affordability for residents that factors in income levels, geography, race, ethnicity and language among other factors.

Ted Doolittle, Healthcare Advocate for the State of Connecticut; The Office of the Healthcare Advocate is of the opinion that if we can make progress on the issues of getting to universal coverage, developing and implementing more determined and focused cost-control, and getting control of the uncompetitive healthcare prices- then the consumers and businesses of
Connecticut will start to close the gap with the rest of the world on high healthcare costs. They are in support of this legislation because it seeks to create a new, transparent and public accountable platform that will make it easier to address the aforementioned issues.

**NATURE AND SOURCES OF SUPPORT:**

Joe Aresimowicz, Speaker of the House, Connecticut General Assembly; is in support of this legislation and feels as though the concerns of the stakeholders can be addressed through a robust stakeholder planning process, which is proposed in the bill.

Sarah Eagan, Office of the Child Advocate; is in support of this legislation and states that establishing a working group to start looking into the issue of public insurance is a step in the right direction for families struggling with rising health costs and limited services.

Susan Kelley, Director of Advocacy and Policy, National Alliance on Mental Illness; Believes that this legislation is necessary since development of an effective public insurance option is complicated, involving many issues and health systems, and deserves thoughtful consideration over time. They commend the Office of Health Strategy for their extensive work and on the state’s Systems Innovation Model and supports their involvement in this process.

Ann Pratt, Executive Director, Connecticut Citizen Research Group; CCRG supports policy solutions which address the increase in those who are uninsured, the increase in health care premiums and prescription drug prices within the private insurance market. They feel as though, given the nationally recognized performance of CT’s Medicaid program- its success in providing quality care while sustain a 302% administration rate- compared with a 6% rate in the private sector, using them as a starting point is appropriate.

Jeff Shaw, Senior Director of Public Policy and Advocacy, CT Community Nonprofit Alliance; The Alliance is in support of increasing access to affordable, high quality health care for more Connecticut residents and asks that the workgroup carefully consider the impact that a new public health insurance option would have on the current Medicaid program.

Tom Swan, Executive Director, Connecticut Citizen Action Group; is in support of this legislation, but has concerns. He feels as though a public option that builds off of, but is not necessarily a part of, Medicaid has to be considered a central component of building a universal health care system that can work for all consumers.

Karen Seigel, Connecticut Voices For Children; is in support of efforts to address the rising rates of the uninsured in Connecticut and to make insurance affordable. They submit recommendations to address who the public option would benefit, how it will be structured, and how it will guard against unintended harm to enrollees in existing public health insurance programs.

Rosana Ferraro, Policy and Program Officer, Universal Health Care Foundation of Connecticut; is in support of legislation as part of a broader effort to bring public options to Connecticut.

**NATURE AND SOURCES OF OPPOSITION:**
Connecticut Hospital Association; has concerns with the legislation. They feel as though basing a new Public Option on non-commercial rates would destabilize the Health Insurance Exchange and the Medicaid program, and would negatively impact the already fragile provision of employer-sponsored health insurance in Connecticut.

Sheldon Toubman, New Haven Legal Assistance Association; is in opposition to this bill, primarily due to its utilization of the Medicaid program. The Association asks that should the Medicaid program be used, that this legislation include affirmative protections directly in the language to reduce the risk of harm to all current categories of Medicaid enrollees.

National Federation of Independent Business; has concerns with this legislation as the cost of health insurance continues to be the number one small business problem.

Ellen Andrews, Connecticut Health Policy Project; is in opposition to this bill and emphasizes that no other state has yet implemented a Medicaid buy-in public option. Massachusetts considered this option but rejected it due to disruption to fragile insurance markets and massive liability to the state.

Michelle Rakebrand, Assistant Counsel, Connecticut Business and Industry Association; CBIA is in opposition to the concept of a Medicaid buy-in program being explored by a working group. While this bill is only a study, they feel as though the program it plans to study has the potential to destabilize the Medicaid system, become an additional cost to taxpayers and threaten one of the state’s largest economic drivers.

Reported by: Kayleigh Royston Date: 03/26/2019