

Insurance and Real Estate Committee

SENATE FAVORABLE REPORT

Bill No.: SB-346

AN ACT CONCERNING PUBLIC OPTIONS FOR HEALTH CARE IN

Title: CONNECTICUT.

Vote Date: 3/10/2020

Vote Action: Joint Favorable

PH Date: 3/5/2020

File No.:

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SPONSORS OF BILL:

Insurance and Real Estate Committee

REASONS FOR BILL:

This Bill establishes the ConnectHealth Program, the ConnectHealth Trust Account as well as the ConnectHealth Advisory Board and creates new Healthcare plan options for small businesses, nonprofits and unions. This bill is needed because small businesses, non-profits, union Taft-Hartley plans and individuals who have no workplace insurance have limited Affordable Healthcare options.

RESPONSE FROM ADMINISTRATION/AGENCY:

Kevin Lembo, Comptroller of the State of Connecticut supports this bill as he states in his testimony, "The Connecticut Plan would allow small businesses, non-profits, union Taft-Hartley Plans and individuals with no workplace insurance access to buy into a variety of plan choices offered by the state."

Ted Doolittle; Office of the Healthcare Advocate for the State of Connecticut supports this bill because he believes the current healthcare system is not serving Connecticut families and businesses well and something needs to change. He believes the current healthcare system has failed, particularly the commercial coverage sector. He believes this is fundamentally a health care cost control measure. He mentions how this bill follows international standards in placing the state government nearer the cost negotiation alongside and really in support of the private carriers. He believes the bill should really be called the Public-Private Partnership Option as it doesn't call to create a large bureaucracy rather it calls for the state to oversee private sector partners in offering a new plan. This plan he

mentions would not be a departure for the U.S. or Connecticut as this type of partnership has been going on for 50 years. He also supports the public option to accomplish the two goals of controlling cost while maintaining high-quality care. Mr. Doolittle supports other aspects of this bill such as the establishment of the ConnectHealth Program; how this bill would implement state-finances cost-sharing subsidies for enrollees in the ConnectHealth Program who do not qualify for cost-sharing subsidies under the ACA; how this bill would create statewide dental benefits for consumers. He suggests the state explore whether the New York adopted Basic Health Plan might be a suitable vehicle for the ConnectHealth Program as well as adding the Office of the Healthcare Advocate as an ex-officio, non-voting member of the advisory council.

NATURE AND SOURCES OF SUPPORT:

Legislators: **Senator Christine Cohen** supports this bill because she feels that healthcare has become increasingly unaffordable and without action many people will continue struggling to retain adequate health care needed to live. She's confident the Connecticut Plan will afford small business and non-profits the ability to provide their employees high-quality care plans that are affordable will help avert further crisis. She mentions her experience as a small businesses owner and how the rate increases over the years for healthcare have become unsustainable. The Senator recommends a language change in the bill where it pertains to the definition of small business. That proposed change is included in her testimony in further detail.

Senator Martin Looney supports this bill because he believes that having a public option for health insurance will give Connecticut affordable, quality health insurance. He believes it will encourage healthy competition in the health insurance marketplace, which will lead to better prices for Connecticut Consumers. The Senator also feels that a Public Option is good for businesses, working families' pocket books and the overall health of Connecticut. He commends the work on this bill by the Committee and Comptroller.

Representative Kim Rose supports this bill because she believes expanding programs and coverage is one essential step we can take towards alleviating the burden health care cost puts on our community. She feels that improvements to the wellbeing and medical treatment of our residents will have economic, social and emotional impacts on all of us living in CT.

Angela Aguilar; Rob Baril; Lesley Bennett; Zina Bennett; Gail Berritt; John Brady; Joy Chen; Christina Fagerstal; Sally Grossman; Conrad Heede; Kate Johnson; Nora King; Rachel Kornbluh; Matthew Meizlish; Gina Morgenstein; Michele Mudrick; Krishna Naik; Leah Sussman; Susan Voigt all support this bill primarily for common reasons such as this bill would make healthcare more affordable in the state of Connecticut, the bill addresses the for-profit healthcare system in CT, and the bill would combat health disparities as well as health-related discrimination.

Rachel Besse; Thomas Burr; Jack Carlson; Janet Carlson; Carl Chisem; Connecticut Realtors; Nanette DeWester; Joanna Dornfeld; Rob Federici; Kathy Flaherty; Pareesa Goodwin; Saranya Govindaraju; Tiffany Hu; Jackie Kaiko; Stephen Kops; Zak Leavy; Sal

Luciano; Rick Melita; Amy Moisan; Helen Moore; William Morico; Frances Padilla; Josh Pawelek; Deb Polun (Executive Director - CAFCA); David Sarbello; Roger Senserrich; Jeff Shaw; Irene Skrybailo; Tom Swan; Ethan Rodriguez-Torrent; Bruno Venero; Katherine Villeda; Madhav Vishnubhatta; Stephen Wanczyk-Karp; Lisa Winjum all support this bill primarily for common reasons such as this bill would expand health care coverage for non-profits, small businesses, Taft-Hartley Union members and individuals.

BeneCare Dental Plans support a dental public option that helps consumers and small businesses without imposing an excessive burden on taxpayers or significant administrative costs on state government.

Health Equity Solutions recommend the Connect Advisory Council includes additional consumers and particularly include representatives of communities of color that experience high rates of un-insurance.

Seth Powers (Co-Director of The Center for Children with Special Needs) expresses conditional support for the bill upon their concern which they claim to share with other healthcare providers regarding the fee schedule that would be assigned to providers for individuals who have their insurance through a public option.

Julia Regan; Edward Vollmer support this bill but did not list any reasons as to why

NATURE AND SOURCES OF OPPOSITION:

AHIP opposes this bill because they don't believe that a one-size-fits-all government insurance system is the answer to giving every American high quality, affordable healthcare. They feel this bill will not lower healthcare cost and will likely lead to higher taxes and worse care for everyone. They also believe that patients will pay even more for prescriptions as this bill would strip healthcare providers of important leverage to negotiate lower drug cost for patients. They express their concern that doctors and hospitals will suffer and so will patient care under this bill.

Joe Brennan (President of CBIA) and the CBIA oppose this bill because they believe a state-run health insurance plan will destabilize the health insurance market, require subsidies to finance the program and negatively impact Connecticut's economy.

Jeffrey Hogan opposes this bill because he believes a public option would dramatically disrupt the existing small group marketplace in Connecticut and will extend commercial cost shift for employers to other market segments. He states how the existing state of Connecticut Health Insurance Plan is expensive and risky and its loss ratio underperforms the existing commercial marketplace. He feels that the State of Connecticut should not be in the business managing risk as this is the job of professional risk managers employed by the existing health industry.

Connecticut Hospital Association opposes this bill due to concerns with lines 57-59 of the bill which require the comptroller to "establish a schedule of payments and reimbursement rates for the ConnectHealth Plan...". They also have concerns with lines 94-95 which require the comptroller to develop a "proposed schedule of the initial payments and reimbursement rates for the ConnectHealth Plan." They find these two provisions highly problematic if the

rates to be established are not commercial rates. The Association also expressed that hospitals rely on the payments they receive from insured individuals to sustain lifesaving of care and unfortunately government payers reimburse hospitals far below the cost of care. They suggest that to keep the healthcare safety net strong, this bill should clarify that the rates to be paid to providers will be based on commercial insurance rates established through negotiation between the insurer and provider rather than government rates such as Medicaid or Medicare.

J.P. Wieske opposes this bill as he states insurance is a contract and what this bill proposes, he believes is not a contract. Mr. Wieske feels this bill is run more like a government-run program like Medicaid and the basic financial requirements for an insurance contract are missing. He states how this bill is missing key consumer elements that are typically part of today's insurance contracts. He also believes this bill creates new issues by further segmenting the risk pool, making it difficult for consumers to compare coverage and making enrollment in the program and the market-at-large more difficult. Mr. Wieske expresses his concern that this program will significantly harm the Affordable Care Act market in both the individual and small group market.

Reported by: CJ Ford

Date: April 13, 2020