



Testimony of W. Wyatt Bosworth  
Associate Counsel, CBIA  
Before the Committee on the Insurance & Real Estate  
Hartford, Connecticut  
5 March 2024

**Commenting on:**

**SB 320: AAC Early Childhood Developmental Disorders - Oppose w/o Mandate Review**

**HB 5378: AAC Health Insurance Coverage For The Diagnosis And Treatment Of Infertility**

**Testifying in support of:**

**HB 5377: AA Concerning The Connecticut Health Insurance Exchange**

My name is Wyatt Bosworth and I am associate counsel for CBIA, the Connecticut Business & Industry Association. CBIA is Connecticut's largest business organization, with thousands of member companies, small and large, representing a diverse range of industries from across the state. Ninety-three percent of our member companies are small businesses, with less than 100 employees. Thank you for the opportunity to comment on a number of bills.

**SB 320: AAC Early Childhood Developmental Disorders - Comments**

**HB 5378: AAC Health Insurance Coverage For The Diagnosis And Treatment Of Infertility - Comments**

Year after year, Connecticut employers list healthcare costs as one of their top concerns. According to the KFF 2023 Employer Health Survey, annual family premiums for employer-sponsored health insurance climbed 7% on average this year to reach \$23,968, a sharp departure from virtually no growth in premiums last year.<sup>1</sup> Moreover, on average, workers this year contribute \$6,575 annually toward the cost of family premium, up

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<sup>1</sup> *Benchmark Survey: Annual Family Premiums for Employer Coverage Rise 7% to Nearly \$24,000 in 2023; Workers Contribute \$6,575 on Average Now, But Potentially More Soon*, KFF (Oct 18, 2023)

<https://www.kff.org/health-costs/press-release/benchmark-survey-annual-family-premiums-for-employer-coverage-rise-7-to-nearly-24000-in-2023/>.

nearly \$500 from 2022, with employers paying the rest.<sup>2</sup> Connecticut also has the sixth highest healthcare expenditures per enrollee in the country.

Mandates play a big role in the increasing costs because with each new requirement, insurers must expand coverage to include additional services or devices. This increases the cost of health insurance premiums, and those increases are passed directly onto enrollees. These increases are detrimental to small employers (defined as under 50 FTE), who are not required to offer health insurance pursuant to the Affordable Care Act, but choose to do so.

This committee should move forward with caution regarding any proposal that would directly increase costs on the small group market. According to Access Health CT, enrollment in the small group fully-insured market has dropped from nearly 140,000 lives in 2018 to less than 70,000 today.<sup>3</sup> Small employers, due to increasing mandates, assessments, and fees, are moving to self-funded products where they are achieving 8-10% savings and obtaining equal or greater plan benefits.<sup>4</sup>

Our members appreciate the importance of healthcare coverage and the role it plays in supporting a healthy workforce. However, with mandates, the cost can outweigh the presumed benefits. This is why employers urge this committee to recontinue the Health Benefit Review Program, enacted in 2009 to authorize the Connecticut Insurance Department (CID) to conduct a cost-benefit analysis of any mandates at the request of the legislature (CGS sec. 38a-21).

The Health Benefit Review Program goes well beyond the fiscal note provided by the Office of Fiscal Analysis. This review includes: 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, and the overall social implications of the mandate.

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<sup>2</sup> *Id.*

<sup>3</sup> Access Health CT Board of Directors Meeting Presentation, (Jan. 2024)

<https://agency.accesshealthct.com/wp-content/uploads/2024/01/January-2024-AHCT-BOD-Presentation.pdf>.

<sup>4</sup> *Id.*

CBIA broadly opposes any healthcare mandate bills that have not undergone a complete cost-benefit analysis. Health benefit mandates pose an enormous cost to all Connecticut residents. The business community looks forward to working with this committee in an effort to lower healthcare costs, while maintaining the highest quality of care.

**HB 5377: AA Concerning The Connecticut Health Insurance Exchange - Support**

Assessments, similar to health benefit mandates, are major drivers of small group health insurance costs. Just last year, AHCT voted unanimously to raise the marketplace assessment by 12 percent (1.65 basis points to 1.85 basis points). This increase came two years after a similar increase was contemplated and later abandoned. AHCT claimed last year that the \$3.7 million increase was necessary due to decreased enrollment in the small group market and increasing operating expenses at the exchange.

As enrollment in the fully insured small group market continues to decline due to small employer migration to the self-funded market, this legislature should wield every tool possible to mitigate further cost burdens on small employers who remain under AHCT's purview. HB 5377 will give this committee one of these tools by requiring that future assessment increases receive legislative approval. CBIA strongly urges the committee to support this bill as it will provide greater oversight over AHCT and provide more public input when future assessment increases are proposed. Thank you.