Insurance and Real Estate Committee
JOINT FAVORABLE REPORT

Bill No.: HB-7115
Title: AN ACT CONCERNING REVISIONS TO THE HEALTH CARE COST GROWTH BENCHMARK PROGRAM.
Vote Date: 3/13/2025
Vote Action: Joint Favorable Substitute
PH Date: 3/6/2025
File No.:

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SPONSORS OF BILL:

Insurance and Real Estate Committee

REASONS FOR BILL:

This includes various provisions to help strengthen Office of Health Strategy's Cost Growth Benchmark program. The goal is to gain more data from insurance carriers so they can provide recommendations regarding the state's healthcare system and associated costs.

SUBSTITUTE LANGUAGE:

The substitute language removes the sections of the raised bill that would have (1) allowed OHS to implement certain policies and procedures while they were still going through the regs review process (§ 3) and (2) required OHS to analyze the use and effectiveness of healthcare benchmark performance improvement plans as a tool in other states and to submit recommendations to the Insurance and Real Estate Committee as to whether they should be used in Connecticut (§ 4).

RESPONSE FROM ADMINISTRATION/AGENCY:

Kathleen Holt, Office of the Healthcare Advocate – Supports
Holt shares that she supports this bill because it is an opportunity to see a more holistic picture of the healthcare cost landscape in our state. She explains that OHA believes the voluntary process helps to fill the existing gap and creates a more accurate picture of spending trends, which, in turn, helps to ensure that appropriate health care growth targets and accountability measures are set. Furthermore, Holt shares that OHA supports legislation that may lead to the discovery of recommended best practices and result in improved efficiency, quality, and affordability of care for the residents of the State of Connecticut.

Deirdre Gifford, Office of Health Strategy – Supports
The Office of Health Strategy supports the bill as they believe it includes various requirements that would help strengthen OHS's ability to collect data. HB 7115 would require insurance companies administering self-insured employer plans to ask the self-insured employer clients for permission to include the employers' data in the insurance company's aggregate data submitted to the Cost Growth Benchmark program. If an insurance company does not seek approval from the employer to submit their data to the benchmark, they would be subject to a civil penalty. To further strengthen the benchmark program, the bill would clarify that the OHS commissioner would specify what it means to participate in the annual Benchmark hearing. OHS asked the committee to provide narrowly tailored subpoena power to OHS seeking documents and testimony of those who refuse to participate in the hearing despite statutory requirements to do so. The bill would authorize OHS to conduct a study on performance improvement plans (PIPs) and report to the committee on the findings. Lastly, the bill also would allow OHS to draft policies and procedures while regulations are being promulgated.

NATURE AND SOURCES OF SUPPORT:

None Expressed.

NATURE AND SOURCES OF OPPOSITION:

Connecticut Hospital Association – Opposes
CT Hospital Association opposes section 3 and section 4 of the bill. CHA opposes section 3 because CHA believes that by using policies and procedures to circumvent the formal regulatory process, agencies have become less accountable to the public and agency activities do not have the benefit of formal comment from experts outside the state government. CHA also respectfully requests the committee amend the bill to require OHS to include robust stakeholder involvement in its analysis and study.

Susan Halpin, Connecticut Association of Health Plans – Opposes
Halpin shares that the CT Association of Health Plans believes that the provisions outlined in Section 1 represent an overreach into the self-funded market, which falls under the jurisdiction of federal ERISA law and is not subject to state regulation. They are also concerned about the requirement to disclose the names and contact information of all self-funded employers. CT AHP also believes that the inclusion of penalty provisions risks undermines the collaborative relationship that has historically existed between the payer community and OHS. Finally, CT AHP recommends amending the language to include a requirement that the report's findings and recommendations be presented at a public hearing, with testimony formally recorded and incorporated into the report submitted to the legislature.

Grace Brangwynne – Connecticut Industry and Business Association - Opposes
CBIA believes that portions of this bill are problematic because it gives the commissioner the ability to implement policies and procedures on Connecticut's employers without legislative oversight and approval. CBIA opposes what they see as the proposed solicitation of confidential employee health plan data and encourages the committee to ensure compliance with HIPAA and ERISA. Finally, CBIA expressed concern about the ability of the

Commissioner to implement policies and procedures on Connecticut's employers without legislative oversight and approval.

Nancy Tashah – Opposes
Provided a general comment in opposition.

Reported by: Allie Kyff **Date: 4/2/2025**