General Assembly

**Raised Bill No. 7115**

*January Session, 2025*

LCO No. **5346**

Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

***AN ACT CONCERNING REVISIONS TO THE HEALTH CARE COST GROWTH BENCHMARK PROGRAM.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 19a-754h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) (1) Not later than August 15, 2022, and annually thereafter, each payer shall report to the commissioner, in a form and manner prescribed by the commissioner, for the preceding or prior years, if the commissioner so requests based on material changes to data previously submitted, aggregated data, including aggregated self-funded data as applicable, necessary for the commissioner to calculate total health care expenditures, primary care spending as a percentage of total medical expenses and net cost of private health insurance. Each payer shall also disclose, as requested by the commissioner, payer data required for adjusting total medical expense calculations to reflect changes in the patient population.

(2) Except as provided in subdivision (3) of this subsection, each payer required to report data pursuant to the provisions of subdivision

(1) of this subsection shall provide to each employer of a self-funded employee health plan a form, in a form and manner prescribed by the commissioner and made available on the Office of Health Strategy's Internet web site, that such employer may complete to opt in to the submission of such employer's self-funded employee health plan data to such payer.

(3) Notwithstanding the provisions of subdivision (2) of this subsection, any payer may provide to each employer of a self-funded employee health plan a form developed by the insurer for multistate use, provided the commissioner determines that such form is substantially similar to the form prescribed by the commissioner pursuant to the provisions of subdivision (2) of this subsection.

(4) Each form provided by such payer to any such employer of a self-funded employee health plan pursuant to the provisions of subdivision (2) or (3) of this subsection shall be provided not later than fifteen days after claim administration services are retained and after such payer determines that such employer satisfies the requirements of this section.

(5) (A) Except as provided in subdivision (4) of this subsection, each form completed by an employer of a self-funded employee health plan pursuant to the provisions of this subsection shall be effective for the current data reporting period and shall remain effective for all future data reporting periods pursuant to the requirements of this section.

(B) No such employer of a self-funded employee health plan may complete such form to opt in for a partial data reporting period.

(C) Any such employer of a self-funded employee health plan who completes such form to opt in for a data reporting period may opt out of all subsequent data reporting periods by providing written notice to such payer not less than thirty days before the start of the next data reporting period.

(6) For any self-funded employee health plan whose employer

completes a form to opt in for the submission of such employer's self-funded health plan data to such payer, such payer shall include such self-funded health plan data as part of such payer's data submission required pursuant to the provisions of this section.

(7) Not later than January 31, 2026, and annually thereafter, each payer shall report to the commissioner, in a form and manner prescribed by the commissioner, for the preceding year:

(A) A list of self-funded employee health plans whose employer opted in for the submission of such employer's self-funded employee health plan data in accordance with the provisions of this subsection;

(B) A list of employers who previously opted in for the submission of such employer's self-funded employee health plan data who subsequently elected to opt out of all subsequent data reporting periods in accordance with the provisions of subparagraph (C) of subdivision (5) of this subsection;

(C) A certification signed by an officer of such payer certifying that such payer has taken reasonable efforts to provide the form required pursuant to subdivision (2) or (3) of this subsection to each employer of a self-funded employee health plan to complete to opt in to the submission of such employer's self-funded health plan data; and

(D) A list identifying each employer, by name and mailing address, to which such payer provided such form.

(8) Such opt-in form required pursuant to the provisions of this subsection shall only be provided to employers of self-funded employee health plans and shall not affect mandatory reporting requirements otherwise required pursuant to this section.

(9) Except for the actual cost incurred to each payer for the submission of an employer's self-funded data to the commissioner pursuant to the provisions of this section, no payer shall impose any cost

or fee on any such employer whose self-funded data is included in such payer's reporting of aggregate data submitted to the commissioner.

(b) Not later than March 31, 2023, and annually thereafter, the commissioner shall prepare and post on the office's Internet web site, a report concerning the total health care expenditures utilizing the total aggregate medical expenses reported by payers pursuant to subsection (a) of this section, including, but not limited to, a breakdown of such population-adjusted total medical expenses by payer and provider entities. The report may include, but shall not be limited to, information regarding the following:

(1) Trends in major service category spending;

(2) Primary care spending as a percentage of total medical expenses;

(3) The net cost of private health insurance by payer by market segment, including individual, small group, large group, self-insured, student and Medicare Advantage markets; and

(4) Any other factors the commissioner deems relevant to providing context on such data, which shall include, but not be limited to, the following factors: (A) The impact of the rate of inflation and rate of medical inflation; (B) impacts, if any, on access to care; and (C) responses to public health crises or similar emergencies.

(c) The commissioner shall annually submit a request to the federal Centers for Medicare and Medicaid Services for the unadjusted total medical expenses of Connecticut residents.

(d) Not later than August 15, 2023, and annually thereafter, each payer or provider entity shall report to the commissioner in a form and manner prescribed by the commissioner, for the preceding year, and for prior years if the commissioner so requests based on material changes to data previously submitted, on the health care quality benchmarks adopted pursuant to section 19a-754g.

(e) Not later than March 31, 2024, and annually thereafter, the commissioner shall prepare and post on the office's Internet web site, a report concerning health care quality benchmarks reported by payers and provider entities pursuant to subsection (d) of this section.

(f) The commissioner may enter into such contractual agreements as may be necessary to carry out the purposes of this section, including, but not limited to, contractual agreements with actuarial, economic and other experts and consultants.

(g) The commissioner may impose a penalty of not more than ten dollars per covered individual enrolled in a self-funded employee health plan on any payer that fails to provide any employer of a self-funded employee health plan the opt-in form required pursuant to the provisions of subdivision (2) or (3) of subsection (a) of this section.

Sec. 2. Subsection (a) of section 19a-754j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) (1) Not later than June 30, 2023, and annually thereafter, the commissioner shall hold an informational public hearing to compare the growth in total health care expenditures in the performance year to the health care cost growth benchmark established pursuant to section 19a-754g for such year. Such hearing shall involve an examination of:

(A) The report most recently prepared by the commissioner pursuant to subsection (b) of section 19a-754h;

(B) The expenditures of provider entities and payers, including, but not limited to, health care cost trends, primary care spending as a percentage of total medical expenses and the factors contributing to such costs and expenditures; and

(C) Any other matters that the commissioner, in the commissioner's discretion, deems relevant for the purposes of this section.

(2) The commissioner may require any payer or provider entity that, for the performance year, is found to be a significant contributor to health care cost growth in the state or has failed to meet the primary care spending target, to participate in such hearing in a form and manner specified by the commissioner. Each such payer or provider entity that is required to participate in such hearing shall provide testimony on issues identified by the commissioner and provide additional information on actions taken to reduce such payer's or entity's contribution to future state-wide health care costs and expenditures or to increase such payer's or provider entity's primary care spending as a percentage of total medical expenses.

(3) The commissioner may require that any other entity that is found to be a significant contributor to health care cost growth in this state during the performance year participate in such hearing in a form and manner specified by the commissioner. Any other entity that is required to participate in such hearing shall provide written and oral testimony, as requested by the commissioner, on issues identified by the commissioner and provide additional information on actions taken to reduce such other entity's contribution to future state-wide health care costs. If such other entity is a drug manufacturer, and the commissioner requires that such drug manufacturer participate in such hearing with respect to a specific drug or class of drugs, such hearing may, to the extent possible, include representatives from at least one brand-name manufacturer, one generic manufacturer and one innovator company that is less than ten years old.

(4) Not later than October 15, 2023, and annually thereafter, the commissioner shall prepare and submit a report, in accordance with section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to insurance and public health. Such report shall be based on the commissioner's analysis of the information submitted during the most recent informational public hearing conducted pursuant to this subsection and any other information that the commissioner, in the commissioner's discretion,

deems relevant for the purposes of this section, and shall:

(A) Describe health care spending trends in this state, including, but not limited to, trends in primary care spending as a percentage of total medical expense, and the factors underlying such trends;

(B) Include the findings from the report prepared pursuant to subsection (b) of section 19a-754h;

(C) Describe a plan for monitoring any unintended adverse consequences resulting from the adoption of cost growth benchmarks and primary care spending targets and the results of any findings from the implementation of such plan; and

(D) Disclose the commissioner's recommendations, if any, concerning strategies to increase the efficiency of the state's health care system, including, but not limited to, any recommended legislation concerning the state's health care system.

Sec. 3. Section 19a-754k of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

The Commissioner of Health Strategy may adopt regulations, in accordance with chapter 54, to implement the provisions of section 19a-754a and sections 19a-754f to 19a-754j, inclusive, as amended by this act. The commissioner may implement policies and procedures necessary to administer the provisions of section 19a-754a and sections 19a-754f to 19a-754j, inclusive, as amended by this act, while in the process of adopting such policies and procedures in regulation form, provided notice of intent to adopt regulations is published by the commissioner on the Office of Health Strategy's Internet web site and the eRegulations System not later than twenty days after implementing such policies and procedures. Policies and procedures implemented pursuant to this subsection shall be valid until final regulations are adopted in accordance with the provisions of chapter 54.

Sec. 4. (*Effective from passage*) Not later than January 1, 2026, the Office of Health Strategy shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to insurance concerning an analysis of health care benchmark performance improvement plans, including, but not limited to, any use of performance improvement plans in other states as a tool to slow health care cost growth, any processes for implementing a performance improvement plan in this state, the types of performance improvement plans implemented in other states, any cost savings and the effectiveness or limitation of such plans in other states. Such report shall include (1) recommendations on (A) whether any such performance improvement plan should be implemented in this state, and, if so, the structure for any such plan, and (B) a process for measuring the effectiveness of any such performance improvement plan, and (2) any other relevant information that the commissioner determines may slow health care spending in this state.

| This act shall take effect as follows and shall amend the following sections: | | |
|---|---|---|
| Section 1 | *October 1, 2025* | 19a-754h |
| Sec. 2 | *October 1, 2025* | 19a-754j(a) |
| Sec. 3 | *October 1, 2025* | 19a-754k |
| Sec. 4 | *from passage* | New section |

***Statement of Purpose:***

To: (1) Establish a process for employers of self-funded employee health plans to opt in to providing payers with such employer's self-funded data required for the health care cost growth benchmark; and (2) require that the Commissioner of Health Strategy conduct a study of performance improvement plans as a tool to slow health care cost growth in this state.

***[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]***