



Public Health Committee Public Hearing

March 18, 2015

Connecticut Association of Health Plans

Testimony regarding

SB 955 AA Implementing Provisions of the Budget Concerning Public Health

The Connecticut Association of Health Plans would like to express opposition to SB 955 and its provisions for the transfer of \$8.8 million in various public health programs from DPH to the Insurance Fund which is financed by virtue of annual assessments on the insurance industry at-large.

All things combined, the fund now proposed calls for \$79,896,863 of assessments in 2016 and \$81,307,094 of assessments in 2017 if you include the immunization fund assessment that was levied on the industry over the past few years. (Page C-20 Governor's Budget Summary). Just last year an additional \$3.2 million was added to the fund to finance the state's SIM initiative who's benefits accrue to the entire delivery system at-large not just the insurance sector alone.

The Association would ask that further consideration be given to the fund's growth and its impact on carriers particularly now that insurers are held to a strict Medical Loss Ratio by virtue of the Affordable Care Act (ACA) whereby their ability to absorb additional administrative costs is limited. Similarly, there should be an ongoing analysis of the impact on the state's employers who bear the weight of the increased assessments in the form of increased premiums. It's also important to note that because of the way the assessment is levied, only the fully insured segment of the market pays the price which creates an inequity in the full distribution when you consider that almost 70% of the market is self-insured.

Should the transfer proposed ultimately be enacted, we would respectfully ask for the opportunity to work with OPM and other agencies involved to develop an annual review of each program transferred within the context of a results based accountability assessment to see whether its continuation is warranted given the new availability of health insurance under the ACA.

Should it be determined that the DPH programs in question should be continued, we would encourage that the financing be borne by the General Fund and not the Insurance Fund.

Thank you for your consideration.