

February 10, 2020

To: Members of the Joint Committee on Insurance and Real Estate
Connecticut General Assembly

Ladies and Gentlemen:

Thank you for the opportunity to present testimony on HB5018, An Act Concerning Health Care Cost Growth in Connecticut. As an operating foundation that works with state leaders to improve population health, the Milbank Memorial Fund takes no position on particular pieces of legislation but wishes to convey the following pieces of evidence, which may be relevant to your deliberations.

1. In spite of very high health care expenses in the US, [life expectancy is flat](#) or even declining. Connecticut is no exception to this trend.
2. Primary care is the only health care [service](#) in which an increased supply of physicians in a jurisdiction is associated with longer life expectancy for the entire population.
3. According to analysis from the Health Care Cost Institute, prices paid by commercial insurers to hospitals in Connecticut for inpatient and outpatient services are high relative to the New England region.
4. According to the Primary Care Collaborative's [2019 Evidence Report](#), the percent of total health care expenses going to primary care services in Connecticut is among the lowest in the country. The same report noted that states with relatively high primary care spend rates have lower emergency room utilization and hospital readmission rates.
5. The new activities to be assigned to the Office of Health Care Strategy by this bill are being implemented in other states with positive effects.
 - a. Since 2010, the portion of dollars for commercial health care expenses going to primary care in Rhode Island has almost doubled, from 5.5% to 10.5%. As a result, Rhode Island had the highest percentage of patient-centered medical homes in the country, one of the best performing Medicare accountable care organizations in the country, and the highest number of [primary care physicians](#) in the country. In addition, new models of care using behavioral health integration and community health worker teams were deployed in practices around the state. Seven other states are now regularly measuring primary care spend rates and three of them have set or are proposing targets for minimum levels.

- b. In 2013, Massachusetts' Health Policy Commission established cost growth targets for overall per capita health care expenses in the Bay State. Cost growth has been under that growth rate target for the last three years. Delaware, Rhode Island, and Oregon are following suit.
6. States engaged in this work are finding these systemic efforts require:
- a. Aligned activities across payers. In Rhode Island and Oregon, this has required legislation and regulation compelling insurers to participate. In other states it has been accomplished with additional oversight resources to measure and convene insurers.
 - b. Regular, publicly disseminated measurement of aspects of the state's health care system including health care spending and convening of stakeholders to review findings.
 - c. Public sector leadership that is committed to a long-term view of efforts aimed at slowing the growth of health care spending, so those resources can be put to better use by employers, residents, and the government in other parts of the economy.

Thank you for the chance to present this information and for the important work you are doing.

Sincerely,

A handwritten signature in black ink that reads "Christopher F. Koller". The signature is written in a cursive, slightly slanted style.

Christopher F. Koller