

UConn HEALTH

Insurance and Real Estate Committee Testimony
March 5, 2020

HB 5018, An Act Concerning Health Care Cost Growth in Connecticut
SB 328, An Act Concerning Health Care Cost Growth Benchmarks, Canadian Drug Reimportation, Stop-Loss Insurance, and Reinsurance

Distinguished Co-Chairs, Ranking Members and Members of the Insurance and Real Estate Committee, we thank you for allowing us the opportunity to submit testimony on behalf of UConn Health on **HB 5018** and **SB 328**.

UConn Health is Connecticut's only public academic medical center and a vibrant, high-performing state asset. With an annual operating budget of over one billion dollars, UConn Health employs nearly 4,600 full- and part-time individuals working as doctors, dentists, mental health professionals, nurses, residents, research assistants, technicians, and many other positions. Our fundamentals are strong and growing, with 60% increases in clinical revenues over six years, the largest medical and dental student classes to date, and expansions in research awards. In addition to generating \$2.2 billion in overall economic impact to the state, UConn Health fulfills its public mission of teaching the doctors, dentists, and scientists of tomorrow and providing high-quality patient care to all residents of the state, including thousands of underserved citizens.

We applaud the Governor's initiative to tackle two of the most challenging health care issues facing us today – the cost to patients, which also affects access, and the quality of care. UConn Health, consisting of the state's only public hospital, generates over one million outpatient visits and over 10,000 inpatient discharges per year – about a quarter of which are from Medicaid enrollees. Of particular note is our provision of specialty care for Medicaid patients, most of which is only offered at UConn Health across the state, in areas such as orthopedics, radiology, dermatology, ob/gyn, cardiology, and psychiatry. As an essential healthcare provider to Connecticut's underserved citizens, we understand the importance of ensuring that healthcare is affordable and accessible to all state residents.

HB 5018 and SB 328 both contain very similar provisions including: (1) enabling the Office of Health Strategy (OHS) to curtail health care cost growth in Connecticut through cost benchmarking and other means, as well as creating uniform annual health care quality benchmarks; (2) requiring the Department of Consumer Protection to implement a Canadian drug reimportation program; and (3) codifying a Connecticut Insurance Department policy regarding stop-loss insurance. SB 328 additionally requires OHS to seek a state innovation waiver from the federal government to establish a Connecticut

reinsurance program. We appreciate the opportunity to comment on the first provision regarding the creation of uniform cost and quality benchmarks by OHS.

These bills create an annual healthcare cost growth benchmark, to be established December 1st for the succeeding year, that addresses the average growth in total health care expenditures across all payers and populations in the state. This benchmark will also include a primary care target to ensure primary care spending as a percentage of total health care expenditures reaches a goal of 10% by January 1, 2025. The proposal expands the authority of OHS to monitor both health care entities and payers found to be significant contributors to health care cost growth in the state, and requires performance improvement plans to be implemented. Throughout the bill, there is ample opportunity for stakeholder input in this process through informational hearings and we look forward to partnering with OHS to ensure this new benchmarking is informative and transparent to the public, and, most importantly, beneficial to our patients. As this process unfolds, we hope to work with OHS to ensure that the cost containment targeted by this initiative appropriately results in savings due to waste and overutilization, and ensure it does not inadvertently disincentivize the adoption of new technologies and therapies. As a public academic health center, these types of services are often created and tested here, and we want to be able to continue this important innovation and research.

Regarding quality of care, these proposals, beginning in 2022, call for OHS to develop and adopt annual health care quality benchmarks for health care entities and payers that are uniform across the state and include measures concerning clinical health outcomes, overutilization, and safety measures. Again, the bills allow opportunity for stakeholder input, as well as an informational hearing on the proposed benchmarks. UConn Health currently tracks almost seventy quality metrics in ambulatory care alone, of which about fifteen are consistent across payers. We are extremely interested in working with OHS to provide input into the development of this new measure set, and commend the goal of creating standardized metrics across the state.

Finally, beginning March 1, 2022, each hospital is required to submit, for the preceding calendar year, data concerning health care utilization; charges, prices imposed, and payments received; costs incurred and revenues earned; and any other relevant data designated by OHS. OHS is required to establish uniform standards in the way this data is submitted. We would greatly appreciate the opportunity to work with OHS to ensure that the information requested is high-value data, and would like to partner in developing the standards in order to ensure these new reporting requirements can be implemented within our existing resources.

In conclusion, we support the goal of this proposal to improve health care quality and cost for our state's residents and look forward to working with our sister agency on this important initiative.