



UNIVERSAL HEALTH CARE
FOUNDATION OF CONNECTICUT

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**Testimony in Support of
Governor's Bill 5018: An Act Concerning Health Care Cost Growth in Connecticut**

**Universal Health Care Foundation of Connecticut
March 5, 2020**

Thank you to the Insurance and Real Estate Committee for the opportunity to provide testimony on behalf of the Universal Health Care Foundation of Connecticut in support of Governor's Bill 5018: An Act Concerning Health Care Cost Growth in Connecticut.

Universal Health Care Foundation of Connecticut envisions a health system that is accountable and responsive to the people it serves, that supports our health, takes excellent care of all of us when we are sick at a cost that doesn't threaten our financial security and continues to be an important source of quality employment and vitality in our communities.

We are testifying specifically in support of the creation of a benchmark for health care cost growth in the state because it is one way we can restrain health care costs in the state (Sections 1 through 9). According to the most recently available data from Kaiser Family Foundation (2014), Connecticut ranks 6th highest of all 50 states and DC in health spending per capitaⁱ.

Rising health care costs are a burden to individuals, families, employers and the state. We must address this challenge head on. One way we can do that is to adopt a health care cost growth benchmark and hold stakeholders in the health care industry accountable to meeting that target.

In Massachusetts, there is a similar program in place run by the Health Policy Commission. "Overall, since the benchmark was established, the state's health care spending has grown at a below-the-benchmark average annual rate of 3.4%...[and] has been below national growth rates for the ninth consecutive year," the commission states in their 2019 Annual Health Care Cost Trends Report Executive Summaryⁱⁱ. These results from Massachusetts are promising for Connecticut.

As is done in Massachusetts, this proposal would require the Office of Health Strategy to analyze total health care expenditures in the state and establish a health care cost growth benchmark for the subsequent year. Health care providers and others would then have to ensure their cost growth is not higher than that benchmark.

The Office of Health Strategy will then analyze how health care providers and others contributed to health care cost growth. Those that come in above the benchmark will be required to file and implement performance improvement plans, then be held accountable to implementing those plans. This accountability is critical to ensuring that the health care cost benchmark is effective in slowing health care cost growth in the state.

We applaud the proposal's language on increasing the spend on primary care to 10% of the total cost of health care expenditures by January 1, 2025, ensuring that we are investing in this critical part of the health care system. A 2019 study reports that Connecticut has one of the lowest primary care spends in the country. The same 2019 report points out that an association was found between an increase in primary care spending and a reduction in emergency department visits and hospitalizationsⁱⁱⁱ. Primary care helps to deliver prevention services and keep people with chronic diseases healthy. Quality primary care can also coordinate patient care and help people avoid costlier specialty care.

The quality benchmarks are another key aspect of this proposal – ensuring not only that health care providers and others restrain costs, but also improve quality of the health care system. We support the use of quality benchmarks, and an open process for the creation of these benchmarks, as proposed in the bill.

We applaud the emphasis on transparency in this proposal. The public reports, public hearings, and general transparency requirements ensure that those who contribute most to health care costs in the state will have to answer to the state and the public. Accountability, especially to the public, is important, as health care costs impact all of us

We urge you to pass this portion of the bill and put Connecticut on a path to health care cost growth control and quality improvement. Thank you for your time.

Universal Health Care Foundation of Connecticut's mission is to serve as a catalyst that engages residents and communities in shaping a democratic health system that provides universal access to quality, affordable health care and promotes health in Connecticut. We believe that health care is a fundamental right and that our work is part of a broader movement for social and economic justice.

ⁱ Health Care Expenditures per Capita by State of Residents, Kaiser Family Foundation, <https://www.kff.org/other/state-indicator/health-spending-per-capita/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Health%20Spending%20per%20Capita%22,%22sort%22:%22desc%22%7D>

ⁱⁱ 2019 Annual Health Care Cost Trends Report Executive Summary, Massachusetts Health Policy Commission, <https://www.mass.gov/doc/2019-health-care-cost-trends-report-executive-summary/download>

ⁱⁱⁱ Investing in Primary Care, A State-Level Analysis: Executive Summary, Patient-Centered Primary Care Collaborative and the Robert Graham Center, https://www.pcpcc.org/sites/default/files/resources/pcmh_evidence_es_2019%20%28002%29.pdf