



CCSN: THE CENTER FOR CHILDREN WITH SPECIAL NEEDS

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Written Testimony Regarding Proposed Bill 346

AN ACT CONCERNING PUBLIC OPTIONS FOR HEALTH CARE IN CONNECTICUT.

To Whom it May Concern:

I submit this written testimony to provide conditional support for the proposed bill 346 as referred by the Insurance and Real Estate Committee of the Connecticut Legislature. I submit my testimony wearing three hats – as a consumer of health insurance, as a small business that provides health insurance to our employees, and as a healthcare provider group.

During the 2019 Legislative Session I had provided feedback via a Small Business Roundtable organized by Sen. Lesser and Rep. Scanlon where I had the opportunity to discuss the challenges of health insurance costs faced by small businesses. We operate a mental health practice with approximately 40 employees in Glastonbury, CT and for over 25 years we have contributed to our employee's health insurance premiums up to an annual cap. Until about 4 years ago, the annual employer contribution covered all (or almost all) of the health insurance premiums owed on behalf of many of our employees. As small-group health plans have meaningfully increased in price, it has outpaced our ability as an organization to increase our contribution amounts which, as a result, has shifted more of the health insurance premiums directly onto employees and their families. We have seen this increase across all plans that we offer, including HSA-eligible plans that should, in theory, see reduced premium increases due to increased cost-sharing by the member.

The other dynamic that we saw during this same time period was relative stability in large-group premiums. In addition to the health insurance benefit provided directly to employees, we also offer the option to provide reimbursement up to the same annual cap to our employees who participate on a spouse's health insurance plan. For employee's that have spouses at large companies or within the public sector, they very often are able to obtain more comprehensive and less expensive coverage than we can obtain as a small group. Through the years I have seen the relative stability of health insurance premiums outside of the small-group market based on the reimbursement amounts that we provide to our employees on a spouse's plan. I have also seen more and more of our employees switch to this benefit because the plans that we could offer through our business have become less competitive and more expensive than what is available through their spouse's employers. I should note that this dynamic isn't a reflection of spouse's plans improving so much as it is a reflection of the plans that we have access to in the small-group market declining in quality and increasing in premium costs and cost-sharing requirements.

I noted at the opening of this letter my conditional support for the proposed bill relative to the roles that I am responsible for, and within my roles as a consumer of health insurance and a small business, I firmly support the public option bill.



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Within my role as the leader of a healthcare organization is where I need to provide my conditional support. The biggest concern that I have, and that I have heard from other healthcare providers, pertains to the fee schedule that would be assigned to providers for individuals who have their insurance through a public option. Historically, public payor sources reimburse at a much lower rate than private insurance contracts and I have meaningful concerns about the viability of our business if the fee schedule was set to be consistent with other public payors versus the private marketplace. Many healthcare organizations negotiate fee schedules with insurance companies that reflect quality of care, organizational capacity and expertise, and the market demand for a given service. I would be concerned that broad-brush approach towards fee setting could undermine the ability of some healthcare provider organizations to maintain nuanced fee schedules. We operate in a low-margin business, generally with high fixed costs, so as an individual responsible for leading a business and supporting the livelihoods of our employees and their families, the proposed economics of this bill are of paramount concern to me.

I felt compelled to provide this testimony because I don't think that the area in which my support is conditional is: a) unique to our organization; or b) an insurmountable problem to solve. I firmly believe that thoughtful policy making with a well-informed and diverse group of stakeholders could come to a reasonable solution that would result in no disruption to current provider fee schedules while delivering an insurance solution to small businesses that represents a vast improvement upon those options that are currently available.

If there is an opportunity to support ongoing efforts as they relate to this and other pieces of relevant legislation, I would humbly offer myself as a volunteer to support what I believe is an extraordinarily important effort for individuals, businesses, and healthcare providers within the state of Connecticut.

Lastly, I would like to extend my gratitude towards Senator Lesser, Representative Scanlon, the Office of the Comptroller, and the Office of the Healthcare Advocate for continuing to be such thoughtful stewards of the issue of improving health insurance options for individuals and businesses within the State of Connecticut. Their collective leadership and inclusive approach towards a solution that satisfies all stakeholders will serve as an example for other states across the country.

Respectfully Submitted,

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Co-Director

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