



Raised SB Bill No. 346 AN ACT CONCERNING PUBLIC OPTIONS FOR HEALTH CARE IN CONNECTICUT

Chairman Lesser, Chairman Scanlon, members of the committee, my name is Julie Chubet and I am president of the Connecticut Benefit Brokers, A Chapter of NAHU (CTAHU). On behalf of my colleagues and members we do not support the proposal of a public option.

Small businesses and individuals in our state face some of the highest costs of insurance and health care in the country. Every day we work with our clients and see that Connecticut needs better more competitively priced options. We agree that everyone deserves to have affordable quality coverage. However, we don't agree that offering a new public option is the solution to achieving that affordability.

As we saw in previous proposals over the years, a public option has not been the answer to addressing the health care and insurance needs of Connecticut's residents. The bill indicates the public option would potentially be subsidized for those that aren't eligible for subsidies under ACA. The language says, "within available appropriations" and our question is where is that money going to come from? We also have questions pertaining to: are public options allowed under ACA; would the public option be offered on the Exchange or would it compete with the Exchange; or would a secondary or new version of the Exchange be created?

While we are pleased that our expertise is recognized as important to be included as a member of the advisory group, we are also concerned about the language regarding a medical loss ratio of 90%. The definition language includes a reference to "enrollee educational programs". Our members spend a great deal of time educating consumers and our clients on how to use their benefits after they have enrolled in their plans. We do not simply sell a plan and move on. We continuously work to keep them apprised of any changes which may impact them as a small employer. We help families figure out how to handle new babies, children aging out of their coverage, changing jobs and retirement. Would we be swept into this broad category and therefore no longer be compensated for our services?

Any approach to improve health insurance options for Connecticut's small businesses and individuals should be aimed directly at lowering the overall cost of healthcare. It should not be adding to the financial burden of taxpayers to support new government expenditures causing further financial disadvantages to living and working in the state.

One approach we have seen that we believe could be beneficial to stabilizing the individual and small business market would be a state-operated reinsurance program. Reinsurance programs

have shown up to 40% rate reductions over multiple years in the individual market in other states. It could also be utilized in the small group market as had been previously done in CT

Leaders of our national chapter of NAHU and we believe the public option does not play on a level playing field. The private market would be in direct competition with the state which would potentially damage the insurance market in Connecticut and the approximately 60,000 people who employed by it (according to a 2018 Hartford Courant article).

The very aggressive timing suggested in this legislation is also very concerning. A deadline of March 1, 2021 for the Comptroller and Advisory Council to have a fully formed plan, strategies for implementation, analysis of potential impact, etc. ready to present does not seem feasible. This process cannot be rushed to meet an arbitrary date of offering the plans in 2022. The Comptroller and Advisory Council cannot possibly consider all of the necessary intricacies that a public option would require within a year's time.

Connecticut's small businesses need relief from the overwhelming costs of doing business in the state. Creating a public option with new administrative burdens and costs will not achieve that.

We ask that the committee not support creation of a public option.

Thank you
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