March 5, 2020

TESTIMONY IN SUPPORT OF

S.B. 341, AN ACT CONCERNING PARTICIPATION BY COVERED PERSONS, AUTHORIZED REPRESENTATIVES AND HEALTH CARE PROFESSIONALS IN UTILIZATION REVIEWS.,

S.B. 346, AN ACT CONCERNING PUBLIC OPTIONS FOR HEALTH CARE IN CONNECTICUT, &

S.B. 347, AN ACT CONCERNING THE PATIENT PROTECTION AND AFFORDABLE CARE ACT

Good Morning Senator Lesser, Representative Scanlon, Senator Kelly, and Representative Pavalock-D'Amato, and members of the Insurance and Real Estate Committee. I would like to offer testimony in support of the following bills:

S.B. 347

The Patient Protection and Affordable Care Act (ACA) has significantly improved many aspects of health care in this country. Twenty million Americans have health insurance who would otherwise have no coverage. All health insurance plans must cover the 10 essential benefits, which are conditions people expect insurance to cover—such as prescription drugs, preventative services, and hospitalization—because spending on expensive premiums to later find out a plan has critical gaps in coverage is simply unfair. As many as 1 in 2 Americans had what insurers call pre-existing conditions, such as acne, diabetes, or pregnancy, who are now protected from unfair discrimination. Young adults can remain on their parents' coverage up to age 26. Our constituents genuinely

appreciate these improvements and do not want to lose them. The Act has slowed the rise of health care costs as well.

That is why it makes little sense to repeal or undermine the Act with absolutely no plan to keep these provisions in law, but the current federal administration has spent three years to do just that. Repeal of the Act would be devastating for the people of Connecticut. The 107,000 people enrolled through Access Health CT would lose coverage, and the state would miss out on $2 Billion in federal funding for Access Health CT plans. The 268,000 people receiving coverage through the ACA's expansion of Medicaid would lose coverage. About 14,000 young adults (those under 26) would be kicked off their parents' plan. Premiums could skyrocket and the 522,000 of adults in Connecticut with pre-existing conditions would lose all confidence in future coverage.

In 2018, the General Assembly took meaningful action to ensure essential benefits with passage of Public Act 18-10, and last year we passed Public Act 19-134 to provide some protections for those with pre-existing conditions.

But currently, decisions to repeal the entire ACA are pending in federal appellate courts, and we must continue our pursuit to protect Connecticut residents from the detrimental fallout that the Act's repeal would cause. Accordingly, I support S.B. 347, which would adopt a medical loss ratio modeled after the ACA's. Under the ACA, an individual health plan must spend at least 80% of the premium revenue on actual care and patient supportive services, leaving 20% for overhead, salaries, marketing, and other costs. Large group plans must adhere to an 85% to 15% ratio. If a plan fails to meet the threshold, it must issue rebates back to the policyholders proportionate to the amount of spending exceeding its permitted amount. S.B. 347 would take effect only if the medical loss

ratio in the ACA is repealed, thereby ensuring these provisions continue to protect against inflated premiums.

S.B. 346

In addition to securing current law that protects patients from high prices, we must have foresight in adopting new protections. Individuals are priced out of receiving care, despite having health insurance. A public option for health insurance will give Connecticut affordable, quality health insurance. It will encourage healthy competition in the health insurance marketplace, which will lead to better prices for Connecticut consumers. A public option for health insurance is good for business, working families' pocket books, and the overall health of Connecticut.

Therefore, I support S.B. 346, and the establishment of the ConnecticutHealth Program, which would create a public option to leverage the buying authority of the Comptroller's office to offer an additional option for the people of Connecticut. S.B. 346 provides for the adjustment of premium based on an ability to pay. I commend the work by this Committee and the Comptroller on this bill and hope it will receive a favorable report.

S.B. 341

The last bill I would like to discuss would address the bureaucratic minefield that is insurance claims. Families are paying tens of thousands of dollars a year in premiums and deductibles so that when a doctor recommends a certain medication or procedure, insurance is there to cover the cost. If a request for coverage is initially denied, the best-case scenario is that after weeks or months of delay, appealing the decision will lead to approval by the insurer. The claims process of denying and approving claims is confusing, burdensome, costly, and simply not attainable for many people. Submitting an appeal and negotiating through grievance review after an

initial denial by the insurer can easily take 10 to 20 hours of a professional's time, and most insured individuals at their best are not familiar enough with insurance contracts or their personal care to navigate the process. What may be the most frustrating is how much harder it is to mount an appeal when people are suffering mentally and physically from the ailment they are seeking coverage for.

Anything we can do to make the process easier or result in more claim approvals prior to the appeals process will be good for patients' health. During initial review, the provider almost exclusively submits the claim to the insurer—the application may have all the underlying medical information, but during the grievance review process a patient has the opportunity to share new information about his or her personal situation. This new information can result in reversal of an initial denial. We believe providing patients an opportunity to tell their story earlier in the process will resolve claims before the lengthy appeals process.

Senate Bill 341 has two components: first it requires insurers to accept a patient's statement with any information the patient deems worthy of sharing at the same time the insurer accepts the request for authorization of coverage. Second, the bill would require providers to inform patients that they have the opportunity to provide the written statement.

Thank you for raising all these important bills.