



Testimony in support of Senate Bill 596:

An Act Concerning the Duties of the Connecticut Health Insurance Exchange

Submitted by Frances G. Padilla, President

Universal Health Care Foundation of Connecticut

January 31, 2013

Universal Health Care Foundation of Connecticut (UHCF) is an independent, non-profit foundation dedicated to achieving a high quality, affordable health care system that is accessible to everyone in the state. UHCF was involved in the passage of the 2011 legislation that created the Connecticut Health Insurance Exchange. Since then, UHCF has been closely monitoring the implementation of the Exchange, as well as continuing the push for transformation of the state's health care system.

Connecticut is one of the states on the leading edge of Exchange implementation, and as such, there are few road maps to guide us. In a very compressed period of time, the Exchange Board has made a series of complex and difficult decisions. In considering our support of Senate Bill 596, UHCF returned to the Guiding Principles established by the Exchange Board:

- An exceptional consumer experience
- Sustainability
- Flexibility
- Transparency

It is the first of these Guiding Principles: An exceptional consumer experience, that drives UHCF to support Senate Bill 596.

UHCF submitted written comments on this matter to Kevin Counihan, CEO of Connecticut Health Insurance Exchange, on November 26, 2012. In our comments, we stated that in order to best serve consumers in the Exchange, we believe that the Exchange should engage in negotiating on behalf of consumers from the start. We raised the concern that it will be much more difficult to institute active purchasing after the Exchange is up and running. And, we argued that one challenge for Connecticut is that our health insurance market is dominated by

Universal Health Care Foundation of Connecticut testimony on SB 596 continued...

national for-profit corporations that prefer to have as little variation as possible between states as they prepare to compete in exchanges across the country.

In this climate, we believe consumers will be better served if the Exchange is more engaged in negotiating premiums with health carriers offering, or seeking to offer, qualified health plans in the Exchange. This is particularly important since the question of affordability is likely the biggest hurdle facing potential customers of the Exchange, even after federal subsidies are factored into the cost equation.

The Exchange was created to consolidate the buying power of individuals and small groups who lack the clout of large groups to obtain better value for their premium dollars. This is not the time to pass on the responsibility of negotiating the best deal possible on their behalf.

In closing, I would like to draw your attention to the October 2012 recommendations of the Health Care Cabinet's Business Plan Workgroup. These recommendations were put together under the requirements of Public Act 11-58 and forwarded to Governor Malloy and the Connecticut State Legislature with the approval of the Cabinet. The 12-member Workgroup was co-chaired by myself, Ben Barnes, Secretary of OPM, and Nancy Yedlin, Vice President of the Donaghue Foundation.

In the report, the powerful potential of the Exchange is addressed in Goal 2 and Goal 3. Goal 2 urges the state to leverage its position to help drive value and innovation in the health plans offered within the Exchange, in a manner that can demonstrate leadership in the Connecticut marketplace, as well as nationally. Goal 3 addresses gaps in access to affordable, quality care that will persist for certain groups, even with implementation of the federal Affordable Care Act. The full report is posted on the Office of Health Reform and Innovation website at www.healthreform.ct.gov. I urge you all to access the report, which is an easy 10-page read.

Thank you for your consideration of this important matter.