



**Testimony in Support of Senate Bill 1049: An Act Concerning
High Deductible Health Plans**

Universal Health Care Foundation of Connecticut

Insurance and Real Estate Committee

Universal Health Care Foundation of Connecticut supports Senate Bill 1049, but we urge you to improve the bill.

In 2019, the Connecticut General Assembly created the High Deductible Health Plan Task Force.ⁱ The final report of that task force, issued in February 2020, contained many recommendations, but none of them have been implemented to-date. SB 1049 should make greater strides and adopt some of those recommendations.

High deductible health plans are a major cause of under-insurance in our state. They essentially shift the costs and risks of getting sick onto consumers. When consumers choose a high deductible plan, they are making a major gamble that they will not get seriously ill or injured. If their bet turns out to be wrong, they can end up on the hook for thousands of dollars of medical bills, bills that many of them cannot afford to pay.

Consumers have to pay so much out of pocket to get care, they behave and feel as if they don't have insurance at all.

In a recent survey of Connecticut residents, 51% of Connecticut adults said they experienced a health care affordability problem in the past year.ⁱⁱ

- 24% delayed going to the doctor or having a procedure done
- 20% avoided care altogether
- 19% skipped a recommended medical test or procedure

Overall, the survey found that 3 in 4 adults (74%) reported being “worried” or “very worried” about affording some aspect of health care in the future, including:

- 59%—Affording the cost of health insurance
- 55%—Cost of a serious illness or accident
- 48%—Cost of prescription drugs

The stated reason for high deductible health plans is that they can control health care costs by motivating consumers to “shop” for care. Since consumers have to pay out of pocket for needed medical services, procedures and medications until they meet their deductible, consumers have an incentive, in theory, to find lower cost options.

But an analysis by Altarum’s Healthcare Value Hubⁱⁱⁱ finds that people don’t necessarily shop more for health care when they have higher deductibles or other forms of cost sharing. People *do* delay or avoid care, though, when they can’t afford the care they need. And in an emergency, people don’t have the ability to make choices at all. Instead, they are left to worry about the medical bills they are accumulating when they should be focusing on regaining their health.

SB 1049 barely begins to address the problems with high deductible health plans. It only proposes is to sync up health plan coverage periods, perhaps in preparation for making more changes in the future.

Why not propose those changes now? At a minimum, the bill should also suggest prorating deductibles based on the number of months someone is enrolled. This would mean that:

- Customers joining mid-year would not be responsible for the full deductible
- Customers switching health plans during the year wouldn’t start back at zero in their new health plan, after already contributing toward the deductible in their old health plan

Please improve and pass SB 1049.

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, equitable 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 High Deductible Health Plan Task Force, Connecticut General Assembly
https://www.cga.ct.gov/ins/taskforce.asp?TF=20190822_High%20Deductible%20Health%20Plan%20Task%20Force

ⁱⁱ *Connecticut Residents Struggle to Afford High Healthcare Costs; COVID Fears Add to Support for a Range of Government Solutions Across Party Lines: Data Brief No. 79*, September 2020, Altarum Healthcare Value Hub Consumer Health Experience State Survey, <https://universalhealthct.org/application/files/6716/0565/7200/Hub-Altarum-Data-Brief-No.-79-Connecticut-Affordability-Brief.pdf>

ⁱⁱⁱ *Rethinking Consumerism in Healthcare Benefit Design*, Research Brief 11, April 2016, Altarum Healthcare Value Hub
<https://www.healthcarevaluehub.org/advocate-resources/publications/rethinking-consumerism-healthcare-benefit-design>