

# Creating a Public Option for Connecticut

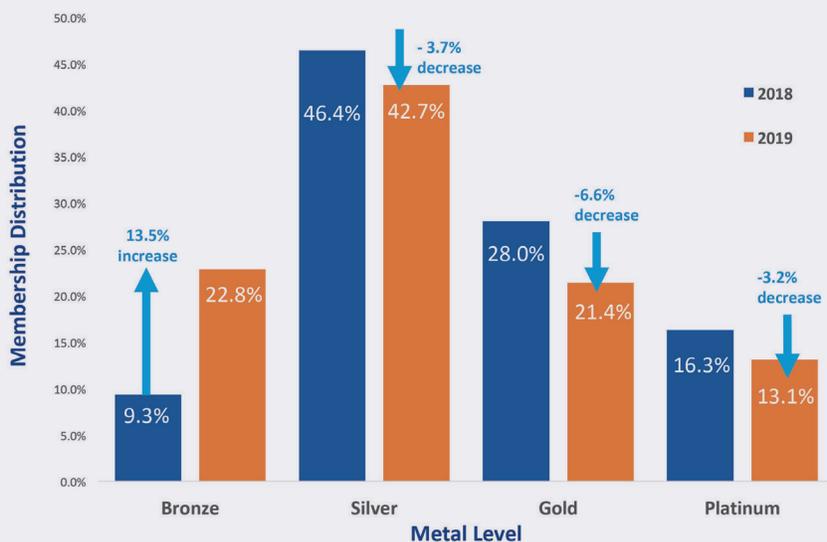
## HB 7267: An Act Concerning Public Options for Connecticut

Many individuals, families, and small businesses in Connecticut struggle to afford the cost of health care coverage, and even those that can often find that they still have high out-of-pocket costs in the form of deductibles, co-pays, and cost-sharing. In a recent survey, 50% of adults in Connecticut reported one or more health care affordability problems, and 79% worry about affording health care in the future.<sup>1</sup>

Advocates and legislators in Connecticut are working to address this issue by creating new state-run plans that would offer high quality coverage at a lower cost to consumers. *HB 7267: An Act Concerning Public Options for Connecticut* takes a phased approach to the problem: moving quickly to provide a new choice for small business owners, carefully designing a more affordable plan for consumers in the individual market, and laying the groundwork for a long-term solution for all Connecticut residents.

### Small Group Enrollment Shift 2018-2019

Rate increases for the two largest carriers in the small group market have averaged 11.3% and 10.7%, respectively. Meanwhile, since the introduction of its value-based insurance design in 2011, the state employee plan has seen a modest 3.8% average rate increase. As a result of the increasing commercial prices, fewer small groups are offering fully insured plans and many employers are shifting to less rich benefit designs that place a greater burden on employees through increased deductibles and other out-of-pocket costs.

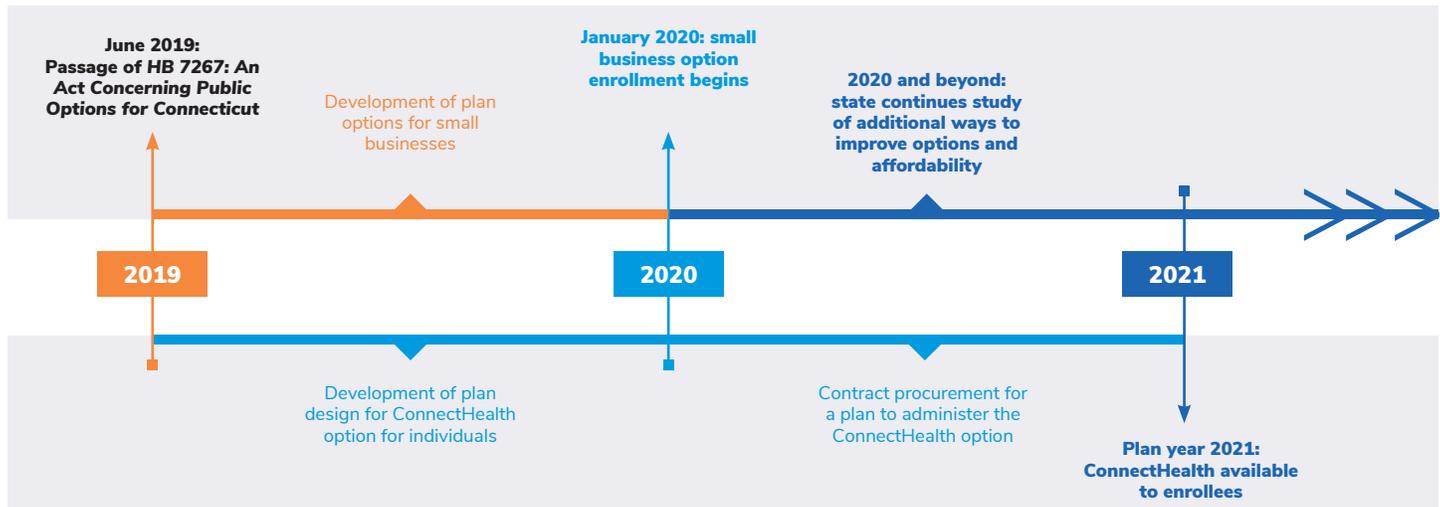


This document was prepared by a coalition including members from the Connecticut Citizen Action Group, the Universal Health Care Foundation of Connecticut, and The Comptroller's Office, with support from United States of Care. If you have questions, or to request more information, please contact [miriam.miller@ct.gov](mailto:miriam.miller@ct.gov)

<sup>1</sup> Altarum Healthcare Value Hub, "Connecticut Consumer Healthcare Experience State Survey," 2018: <https://www.healthcarevaluehub.org/advocate-resources/connecticut-consumer-healthcare-experience-state-survey/>

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### Phase 1: A small business option for 2020

Open the Partnership 2.0 Plan to all small businesses and non-profits (50 employees and under) so all employers can offer quality and affordable health care coverage to their employees

- ★ Through its Partnership 2.0 plan, the state currently offers small group insurance to non-state public employees, where enrollees are able to enjoy the benefits of the state employee health plan
- ★ This legislation will open the Partnership 2.0 plan to all small businesses and non-profits in the state who wish to enroll
- ★ Plan design benefits:
  - Legislation will allow the State to administer several plan designs, meaning employers can find a plan with the right balance between cost and coverage for their employees
  - All plans will include the Health Enhancement Program (HEP), creating opportunities for enrollees to seek preventive care services at no additional cost. In addition, HEP enrollees are not responsible for a deductible
  - Because the State Employee Health Plan is so large, it has a stable risk pool with low administrative costs. This has allowed the State to seek minimal premium increases compared to other small group plan

### Phase 2: An individual option by 2021

Establish ConnectHealth to offer high quality, low cost health insurance to individuals who do not have access to employer sponsored coverage

- ★ Through the Comptroller's office, the State will contract with one or more private insurers to offer ConnectHealth to individuals as a high quality, affordable health plan
- ★ ConnectHealth Plan Design Benefits
  - Plans will be required to offer an extensive list of Essential Health Benefits and will meet specific standards outlined under the ACA
  - Subsidies may be available to reduce out-of-pocket costs for participants, based on their household income
- ★ With the authority provided in HB 7267: An Act Concerning Public Options for Connecticut and the negotiating power of the Comptroller, the state will be able to maintain low out of pocket costs for consumers compared to other private plans

### Phase 3: Looking beyond 2021

Study long-term opportunities to make additional affordable options available for more Connecticut residents

- ★ A multi-stakeholder Advisory Council will be formed to guide the development of the ConnectHealth option and to consider ways to further improve affordability for all consumers
- ★ The Comptroller's office will coordinate with the Advisory Council and Office of Health Strategy to develop a strategy to request federal approval to use funds to provide additional subsidies for premiums and cost-sharing