



**INSURANCE AND REAL ESTATE COMMITTEE PUBLIC HEARING
TUESDAY, FEBRUARY 25, 2020
CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION
TESTIMONY IN OPPOSITION TO SB 197, SB 199, SB 203, SB 204**

My name is Michelle Rakebrand, Assistant Counsel for CBIA, the Connecticut Business and Industry Association. CBIA is Connecticut's largest business organization, with thousands of member companies, small and large, representing a diverse range of industries from across the state. Ninety-five percent of our member companies are small businesses, with less than 100 employees.

CBIA opposes **SB 197, An Act Concerning Health Insurance Coverage for Certain Epinephrine Cartridge Injectors, SB 199 An Act Concerning Required Health Insurance Coverage for Low Protein Modified Food Products, Amino Acid Modified Preparations and Specialized Formulas, SB 203 An Act Requiring Health Insurance Coverage for Motorized Wheelchairs, and SB 204 An Act Requiring Health Insurance Coverage for Certain Surgical Procedures Performed to Treat Severe Obesity.**

Year after year Connecticut employers list healthcare costs as one of their top concerns. Through cost-sharing, business owners cover on average 76% of premiums on behalf of their employees. Further, Connecticut has the 6th highest healthcare expenditures per enrollee in the country, and that figure directly correlates to the number of health benefit mandates that are imposed at the state level.

**State government
assessments and
mandates represent
23%
of Connecticut
healthcare costs.**

**STATE GOVERNMENT
BENEFIT MANDATES**

Connecticut state government mandates add over \$2,000 annually to health insurance premiums.



\$2,085.48
per policy
annually

Mandates drive up costs because with each new requirement, insurers must expand coverage to include additional services or devices. This in turn increases the cost of health insurance premiums, and those increases are passed directly onto enrollees. **Each year, Connecticut residents pay an additional \$2,086.12 in premium costs because of the 68 health benefit mandates that are codified in our state's statutes.** These increases are especially detrimental to small employers (defined as under 50 FTE), who are not required to offer health insurance pursuant to the Affordable Care Act, but choose to do so.

Our members appreciate the importance of healthcare coverage and the role it plays in supporting a healthy workforce. But for some health benefit mandates, the cost outweighs the benefit being realized. This is why employers are urging this committee to recontinue the Health Benefit Review Program, enacted in 2009 to authorize the Connecticut Insurance Department to conduct a cost-benefit analysis of any mandates at the request of the legislature (CGS sec. 38a-21).

The Health Benefit Review Program goes well beyond the fiscal note provided by the Office of Fiscal Analysis. This review includes: the portion of the population that would utilize the benefit, the extent to which the benefit is currently available, the extent to which coverage is already available, the level of public demand for the benefit, the impact the benefit would have on the availability of other benefits, the cost to carriers and employers, as well as the overall social implications of the mandate.

CBIA broadly opposes any healthcare mandate bills without a complete cost-benefit analysis being conducted prior to passage. Health benefit mandates pose an enormous cost to all Connecticut residents. The business community looks forward to working with this committee in an effort to lower healthcare costs, while maintaining the highest quality of care.