

Human Services Committee JOINT FAVORABLE REPORT

Bill No: HB-5041 / [Bill Status](#) / [Public Hearing Testimony](#)

Title: AN ACT EXPANDING HEALTH CARE COVERAGE.

Vote Date: 3/19/2026

Vote Action: Joint Favorable

PH Date: 3/17/2026

File No.: 404

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SPONSORS OF BILL:

Office of the Governor

Human Services Committee

REASONS FOR BILL:

Increasing costs of health care and eroding health insurance coverage are of considerable concern in Connecticut and across the U.S. Healthcare spending per capita is twice the average of other affluent countries, but our health outcomes, particularly in areas such as life expectancy, infant mortality, and chronic disease management, are comparatively worse than any other wealthy nation. In addition, the status quo of health insurance coverage has been substantially disrupted by the passage of H.R. 1, which has removed the federal subsidies for health insurance premiums, creating an ever-widening gap between those that qualify for Medicaid and those that can afford the higher premiums. A "Connecticut option" could provide a "public option," similar to a few other states and the District of Columbia, along with a Basic Health Plan, would address this gap in coverage and mitigate some of the devastating effects of H.R. 1.

RESPONSE FROM ADMINISTRATION/AGENCY:

Office of the Governor, Ned Lamont, Governor: provides strong support for this proposal for exploring opportunities to lower premiums on the individual market by designing a publicly developed and privately administered health plan, with a pathway to implement the "Connecticut Option." It supports small businesses that struggle with the costs of traditional small group plans and expands the use of Individual Coverage Health Reimbursement Arrangements (ICHRA) by helping to offset the employees cost to purchase coverage and the employer's cost during their first two years in the program. This bill strives to move

Connecticut forward on health care affordability in a way that is realistic, responsible, and focused on the everyday experiences of residents who are trying to get and keep coverage.

Connecticut Department of Social Services (DSS), Andrea Barton Reeves,

Commissioner: supports the passage of this bill which places DSS in the leadership role in administering Covered CT program. It is stated the exploration of a "Connecticut Option," is a worthy endeavor to ensure affordable healthcare for Connecticut residents and would be eligible for a federal matching funds of 95%. The Department stands ready to support that analysis.

Connecticut Department of Revenue Services (DRS), Mark D. Boughton,

Commissioner: supports this legislation that would mitigate a significant obstacle for many working families in Connecticut. By implementing sustainable solution that address the rising cost of care while safeguarding residents' access to the services they need. DRS is confident the staff would be able to manage administration of the limited tax credit for small businesses that adopt independent coverage health reimbursement arrangements (ICHR), as outlined in the bill.

Connecticut Department of Insurance (CDI), Joshua Hershman, Commissioner:

supports this action and appreciates the initiatives proposed in this bill will expand coverage opportunities to help reduce the uninsured rate and consequently improve continuity of care. A healthy and competitive insurance market is fundamental to ensuring Connecticut residents not only have access to health insurance but have more comprehensive coverage options when enrolling. As this proposal moves forward, it will be important to ensure coordination with existing programs, including Access Health CT and HUSKY, to avoid coverage gaps, duplication, or unintended impacts on eligibility. CDI welcomes the opportunity to implement these initiatives in collaboration with other agencies, including the study on the feasibility of and contemplation of potential design models for a novel Connecticut Option program.

Office of the Healthcare Advocate (OHA), Kathleen Holt, Healthcare Advocate: supports the creation of the Connecticut Option, using various regulatory tools to address provider prices, the public option programs in a few other states have found some measure of success with respect to enrollments, provider participation and premium affordability. This initiative would be complementary to a Basic Health Program would allow eligible resident to obtain comprehensive healthcare cover with very low premiums and cost-sharing using substantial federal subsidies that are intended to support such programs.

Office of Policy and Management (OPM), Joshua Wojcik, Acting Secretary: supports the coordinated approach to assessing health care market dynamics in the state, maximizing the benefits available through federal funding mechanisms, and advancing strategies to help stabilize plan premiums, expand affordable coverage options for Connecticut residents, and support the long-term sustainability of the state's health insurance system.

NATURE AND SOURCES OF SUPPORT:

Connecticut General Assembly, Senate Democratic Office, Senator Martin Looney, President Pro Tempore of Connecticut Senate: supports the effort to expand access to

health coverage for Connecticut residents and looks forward to working with the Committee to create the best possible coverage model.

Health Equity Solutions, Ayesha R. Clarke, ED and Deputy Director, Karen Siegel: supports sections 1,4, and 6 with recommendations. A workgroup, in collaboration with the Commission on Racial Equality in Public Health, the Urban Institute, and the Georgetown Center on Health Insurance Reforms, resulted in recommendations for modeling that include a broader set of options than the “Connecticut Option program” proposed in this bill. These broader options offer the flexibility to cover more Connecticut residents and to compare affordability proposals’ reach, costs, and impacts on the health insurance marketplace. Section 4: Black and Latino/a residents of Connecticut are overrepresented in the workforce of small businesses in the state. Thus, the lack of affordable insurance options for small businesses is a partial cause of disparities in health care affordability. Insurance coverage health reimbursement arrangements (IHRAs) allow employers to reimburse employees purchasing health insurance on their own with some challenges and are far less dangerous than (MEWAs), also known as association plans. Section 6: supports the development of Basic Health Programs as they show improvements in coverage and access to care; see written testimony discuss for detailed ramifications of policy choices, with additional modeling underway.

CT Community Nonprofit Alliance (The Alliance), Ben Shaiken, Director of Public Policy & Advocacy: supports Nonprofits support these bills wearing two hats: One as employers of 118,000 people in the state, about 7% of the state’s workforce trying to procure high quality and affordable health insurance for their employees, and another as service providers to half a million Connecticut residents, often providing healthcare services to those who struggle to maintain and afford health insurance. The options should remain optional, and the State should adjust current contracts to include all costs associated with the proposed insurance, which could potentially be more expensive than their current plan.

Havenly, Ashley Maker: supports expansion of affordable coverage for all. Current healthcare gaps act as a "glass ceiling," and benefit cliffs prevent talented leaders from achieving the economic independence they have worked so hard to secure. Healthcare policy should address these factors while protecting against medical debt and mitigate federal cuts.

Four Root Farm, Cusano, Elise, Owner & Operator: supports affordable health care programs that are essential to the viability of farms and rural communities. A near doubling of my premium this year has created significant financial pressure, requiring me to seek part-time off-farm employment to maintain financial stability. Ensuring that small business owners and self-employed workers can access stable health coverage is critical to sustaining Connecticut agriculture.

Northeast Organic Farming Association of Connecticut and Co-Owner, Sunset Farm, Britt Garth, Member: supports. Farmers are forced to decide to limit the growth of their business and profits or find off-farm work to secure health benefits, and many are unable to find affordable coverage for their employees. This artificially constrains the amount Connecticut farmers can produce.

Off Center Farms – Woodridge, Rebecca Toms, Owner & Farmer: supports affordable health care programs are essential to the viability of farms and rural communities, especially for the perspective as a small business owner.

CT State Dental Association, Kathlene Gerrity, ED: strongly supports the language in Section 6 which ensures that more individuals within Covered Connecticut program are eligible for dental services. In the absence of an explicit dental benefit many people seek care in EDs with visits are costly and do not provide definitive treatment resulting in multiple visits and continued disease progression. Oral care is health care and results in improved outcomes in pregnancy and many chronic illnesses.

Lewis, Lillard R., MBA and J.D. Candidate at Quinnipiac University School of Law: supports opportunity for policy innovation to pursue strategies that expand access to care while simultaneously addressing the underlying drivers of long-term healthcare costs. Policy paper is attached to testimony.

National Federation of Independent Business (NFIB), Andy Markowski, Connecticut State Director: supports Section 4 which would establish a tax credit for small businesses that contribute to an Individual Coverage Health Reimbursement Arrangement (ICHRA) on behalf of their employees. Health insurance costs remain the number one problem facing small businesses. Given the increasingly limited small-group commercial health insurance market in Connecticut, small businesses need additional, flexible options like ICHRAs to provide sustainable health benefits.

Access Health CT and Access Health CT Small Business, James Michael, CEO: supports, particularly Section 4, which creates a temporary CT tax credit for qualifying small businesses that offer an ICHRA.

CT Insulin4All, Mitchell, Campbell, and PhD Student & Researcher, Yale School of Public Health: supports, stating Comprehensive healthcare coverage, as this bill takes a step towards with the Basic Health Program and studying a Connecticut Option, will bring down costs of accessing preventative care, and create a healthier population with lower costs for acute medical crises to both patients and communities.

Yale New Haven Health, Paul Mounds, Jr., Vice President, Community, Corporate and Government Relations: supports Section 4 which provides targeted tax incentives to help small employers contribute to Individual Coverage Health Reimbursement Arrangements (HRAs). Supports Section 5, which establishes portable benefit accounts to help independent and contract workers purchase health insurance and cover health-related expenses. Opposes the inclusion of the "Connecticut Option" as Commercial payments are essential to offset these chronic losses. Introducing a state-run plan that places downward pressure on commercial reimbursement would further destabilize the healthcare system. Additionally, such plans typically rely on narrow provider networks, which limit patient choice and restrict access to care.

Stamford Health, Kathleen Silard, President & CEO: supports the goal of improving affordability and access to health coverage for employers, employees, and families across our state. Hospitals experience firsthand the consequences when coverage is unaffordable or unstable; patients delay care, preventive services are skipped exacerbating medical condition

requiring more intensive intervention and poor outcomes. Delayed care correlates to high costs for patients and increased uncompensated care for providers. Appreciation expressed for the focus on creating opportunities for small businesses to support their employees. Concern was expressed about the creation of the public option but strongly support Connecticut's history of providing coverage for resident facing challenges.

Mercatus Center, George Mason University, Dr. Liya Palagashvili, Economist & Senior Research Fellow: supports Section 5 which allows clients of independent workers to contribute to their portable benefits accounts. The portable benefits component of the bill represents an important and timely step toward expanding access to health-related benefits for a growing and diverse segment of the workforce.

Community Health Center Association of Connecticut (CHC/ACT), Deb Polun, Chief Strategy Officer: supports the bill which would create more avenues for people in Connecticut to gain access to health insurance coverage. This bill is especially critical for residents who earn too much to qualify for Medicaid or HUSKY programs, but do not receive health insurance through their employer. It is also important to ensure that community health centers are included in the networks for all these plans, as we provide integrated, high-quality care and have hundreds of locations across the state.

CT Citizen Action Group (CCAG), Tom Swan, ED: supports work to mitigate the effects of H.R. 1, including the proposed creation of a Connecticut Option and a Basic Health Program.

SHW, Rona Rohbar, Healthcare Professional and Refugee Health Advocate: supports options for refugee and immigrant families that contribute to the workforce, economy, and communities but struggle to access basic health services.

Greater Hartford Interfaith Action Alliance (GHIAA), Katherine Salk, Member & Activist: supports options for legally present immigrants (asylees, refugees, SIV holders, and survivors of trafficking/domestic violence). Before retirement she was responsible for analyzing the State's financial condition for the commercial bank and is aware of and supports the State's efforts to pay down unfunded pension liabilities. However, there is room for adjustment to the fiscal guardrails that would free up funds for vital social programs while continuing to be fiscally responsible in meeting the State's obligations.

Nelson, Ariyana, High School Student, Ledyard High School: supports.

MBraces, Pradipta, Mazumder, Orthodontist: supports.

Smith, Kristianna, supports.

Snow, Aaron, parent of child with Diabetes, Type 1: supports.

NATURE AND SOURCES OF OPPOSITION:

CT Business & Industry Association (CBIA), Grace Brangwynne, Policy Director, Healthcare, Insurance, and Housing: opposes government-run healthcare because it inevitably leads to cost-shifting on the commercial market. States small business tax credits will shift the managing health coverage burden to employees and may not fully offset increase in employer contributions. They are interested in exploring portable benefit accounts for a segment of the population.

Connecticut Hospital Association (CHA): Opposes Section 1 because such studies frequently serve as precursors to rate-setting or reimbursement caps tied to Medicare or other benchmarks, which can be detrimental to patients — harming affordability and access to care. A state-run health plan would rely on restricting where patients can go for care and narrow provider networks would limit where patients can receive care. Supports Section 4: Connecticut’s hospitals support policies that assist small businesses in supporting their employee’s healthcare and this proposal represents a thoughtful approach to improving access to health benefits by providing targeted incentives to small employers that choose to help their employees purchase coverage through the individual market. Supports Section 5: supports as it creates a framework that allows independent workers to access portable benefits that can be used to purchase health insurance and cover health-related expenses.

Connecticut's Health Care Future, Kelley McCullough Robertson, ED: opposes, a government-controlled public option would increase costs, disrupt the health care market, and ultimately raise taxes on Connecticut families and small businesses. There are no successful public option programs in the country. Public option programs in states like Washington and Colorado have failed to deliver on their promises with premiums higher than expected and resulting in fewer choices for consumers as insurers exit the market, introducing new instability into the system.

GENERAL COMMENTS:

Connecticut Association of Health Plans (CTAHP), Susan Halpin, ED: share the goal of expanding access to affordable coverage and reducing the number of uninsured residents in Connecticut. Supports the calls for a feasibility study and appreciates that a Connecticut Option would be made available through private commercial insurance carriers. The strongly encourage the focus remain in actuarial soundness, market stability, and the impact on employers and individuals. Comments on each section are included.

Reported by: Rebecca McClanahan

Date: April 6, 2026