



INSURANCE AND REAL ESTATE COMMITTEE

JULY 21, 2020

CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION

LISTENING SESSION: CAPPING THE COST OF INSULIN AND INCREASING ACCESS TO TELEHEALTH SERVICES

My name is Eric Gjede, Vice President of Government Affairs for CBIA, the Connecticut Business & 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, employing less than 100 employees.

CBIA opposes An Act Concerning Telehealth (LCO#3614), because the implementation of this bill would result in a cost increase for small businesses.

Year after year Connecticut employers list health care 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 health care expenditures per enrollee in the country which directly correlates to the number of health benefits mandates that are imposed at the state level.

Mandates drive up the cost 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, which are then directly passed to 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 business 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.



An Act Concerning Telehealth operates differently than a traditional mandate, but still leads to serious cost implications for small businesses. Rather than requiring carriers to cover a certain service, this bill mandates that carriers reimburse providers at parity. This means that telehealth visits would be billed at an increased rate equal to that of an in-person visit. Provider reimbursement is generally determined through negotiated contracts, which result in lower rates for consumers, as opposed to mandated reimbursement levels.

The effective dates of this bill would result in a cost increase not only during the time the bill is in effect, but also thereafter. The provisions of this legislation would be in effect from the date of passage until June 30, 2021. During this timeframe, carriers would be in the middle of the rate year when the legislation ceased. Mandates, whether short-term or long-term, increase costs and are factored into the rates for the current year as well as being reflected in the premiums for the upcoming year.

Thank you for this opportunity to submit written testimony. We appreciate your time and consideration. The business community looks forward to working with this committee to lower health care costs, while maintaining the highest quality of care.