2024 ISSUES CONFERENCE

December 13, 2024
10:00 AM - 12:30 PM

OFFICE OF LEGISLATIVE RESEARCH

Bills of Health

Legislation Addressing Health Care Access and Affordability in Connecticut

2024 Issues Conference
Office of Legislative Research

Presentation Overview

Part 1: Health Care Workforce

Part 2: Private Health Insurance

Part 3: Medicaid

PART 1:

Health Care Workforce

In recent years, Connecticut has faced an aging population and an increase in behavioral health and chronic medical conditions, resulting in a greater demand for health care services.

Presenter:
James Orlando, Chief Legislative Attorney

Health Professional Shortage Areas (HPSA)

HPSAsare **geographic areas, population groups, or health care facilities** that have been designated by the U.S. Health Resources and Services Administration (HRSA) as having a **shortage of health care professionals**.

How Many Americans Live in HPSAs?

76M	59M	12.1M
Primary Care	Dental Care	Mental Health

HPSA Categories

Primary Care | Dental Care | Mental Health

✳Connecticut would need **174 additional providers** to remove its **129 HPSA designations**

Recently Enacted

Legislation

- Education and Training
- Financial Assistance for Providers/Employers
- Telehealth
- Interstate Compacts
- Study Groups

Education and Training

Health Care Career Training Initiative and Career Promotion: SA 22-9 and PA 23-97

These acts required the **Office of Workforce Strategy** (OWS) to **develop an initiative to address the state's health care workforce,** including offering expanded and enhanced educational programs at CT higher education institutions.

OWS Student Plan

To encourage high school students to pursue **high demand careers** in health care

SDE Career Promotion

Use the plan to (1) promote **careers in health care professions** to middle and high school students and (2) develop **health care job shadowing and internships** for high school students

Education and Training (cont.)

Health Care Magnet School Program Study: PA 23-97

The Education commissioner to study the feasibility of **creating an interdistrict magnet school program** to educate **students interested in health care professions** .

CT Health Horizons: PA 22-118

In 2022, the legislature appropriated **$35 million in federal American Rescue Plan Act (ARPA) funds for a three-year initiative** to provide tuition assistance to nursing and social work students, expand the number of faculty positions, and create career-based partner programs with health care providers.

This initiative is a **collaborative** between the several higher education institutions, state agencies, and the Connecticut Hospital Association.

Financial Assistance

For Providers or Employers

CT Student Loan Repayment Program

- Program was **relaunched in May 2024** (it was inactive since 2009)
- Gives up to **$50,000 repayment assistance** for providers in eligible disciplines
- Recipients must **provide primary care services in HPSAs** at sites meeting certain criteria
- Application deadline was **June 30, 2024**; future funding not yet determined

Financial Assistance

For Providers or Employers (cont.)

OHE Student Loan Reimbursement Program: PA 23-204 and PA 24-81

This separate loan reimbursement program is set to **launch on January 1, 2025**, within available appropriations.

Reimbursements

Will give student loan reimbursements of **up to $5,000 for up to 4 years** for eligible applicants (open to health professionals)

Volunteering

Specified **volunteer hours** are required for program participation

Financial Assistance

For Providers or Employers (cont.)

Other Initiatives

Employer Incentive Grants (PA 22-47)

Incentive grants for employers of **child and adolescent psychiatrists**

Pediatric Clinic Pilot Program (PA 22-81)

50% match for the costs associated with pa ying the salaries of social workers employed by private pediatric practices

Interest Rate Subsidy Program (PA 23-60 & PA 23-70)

Connecticut Higher Education Supplemental Loan Authority (CHESLA) program to **subsidize interest rates on CHESLA refinancing loans** to certain health professionals (This program has not yet been funded)

Telehealth

Connecticut law establishes requirements for the **delivery of telehealth services** and **insurance coverage** of these services.

COVID-19 Temporary Expansion

In 2020, the governor issued several **executive orders** expanding access to telehealth. Later that year, the legislature **temporarily codified** several provisions of the governor's orders until **March 15, 2021**.

Permanent Expansion

In 2021 and 2022, the legislature enacted laws extending these temporary expansive requirements until **June 30, 2024**. In 2024, the legislature **made permanent** several of these requirements.

PA 24-110, An Act Concerning Telehealth
Permanent telehealth expansion

PA 24-110

Major Provisions

This act makes permanent the following expanded telehealth requirements:

Audio-Only Telephone

Allows providers to deliver telehealth services via audio-only telephone.

Expands Authorized Providers

Allows all state-licensed health providers & pharmacists to use telehealth.

Location

Generally, allows providers to provide telehealth services from any location to patients in any location.

Payment Requirements

Allows patient self-payment and sets payment requirements for underinsured & uninsured patients.

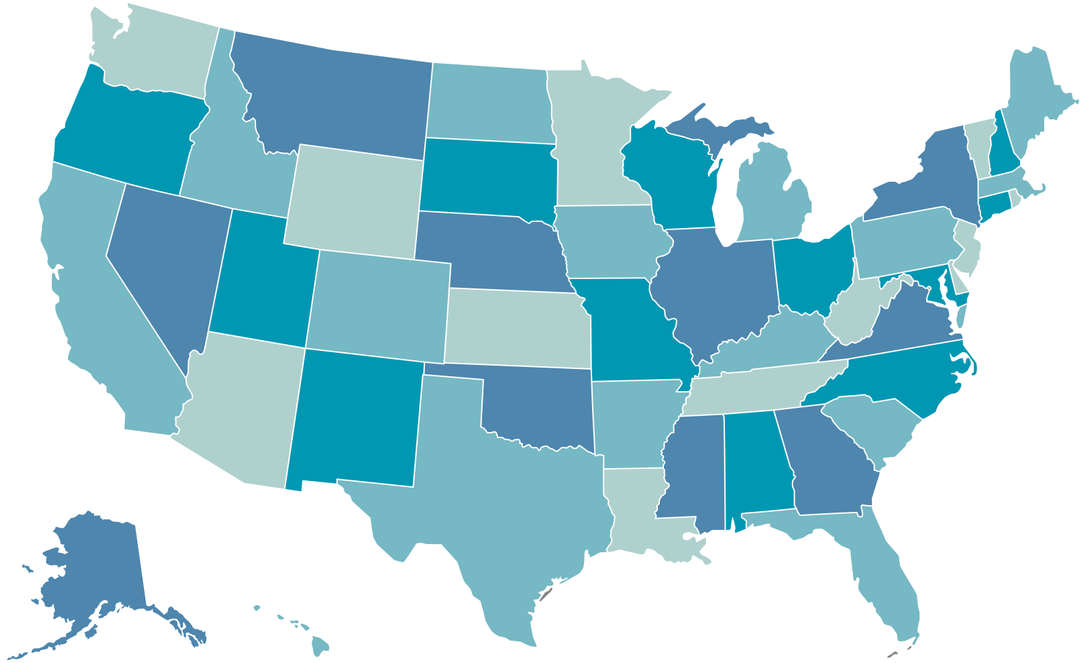
Provider Reimbursement

Prohibits health carriers from reducing reimbursements paid to telehealth providers for covered services appropriately provided through telehealth instead of in person.

PA 24-110

Out-of-State Providers

The act **repealed permanent authorization** for certain out-of-state behavioral or mental health providers to practice telehealth in the state without a Connecticut license.



Excluded Providers

DPH is **prohibited from registering** an out-of-state mental or behavioral health provider who is on the federal Department of Health and Human Services' **list of people excluded from participating in federally funded health programs**, such as Medicare and Medicaid.

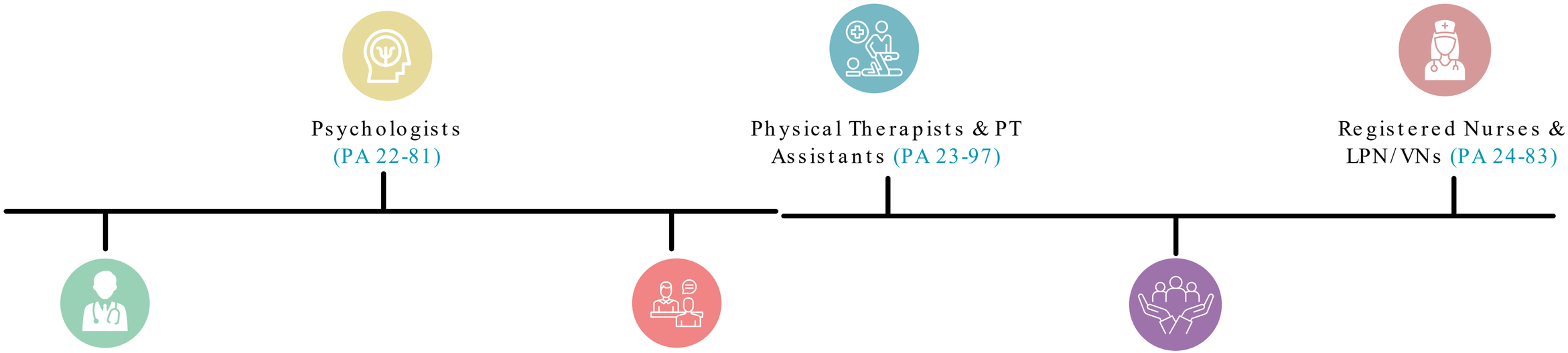
Temporary Authorization

These out-of-state providers may **temporarily practice** telehealth in the state **until June 30, 2025**, if they meet certain requirements, such as **registering** with the Department of Public Health (DPH) and **getting a Connecticut license** within a specified timeframe.

All other out-of-state providers must have a Connecticut license to practice telehealth in the state.

Interstate Compacts

These compacts create a process for health providers to get a multistate license or practice authorization, allowing them to practice in any member state (including by telehealth).

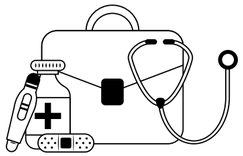


Current Study Groups

Over the past few years, the legislature enacted several laws requiring the study of health care workforce issues

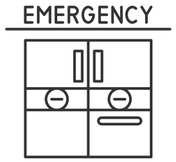
Physician Recruitment Working Group

PA 22-81 and PA 24-19



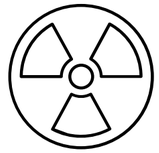
Health Care Workforce Working Group

PA 23-97



Emergency Department Crowding Working Group

PA 23-97



Radiology & Nuclear Med. Techs & Resp. Care Practitioner Shortage Task Force

PA 23-97 and PA 24-68

PART 2:

Private Health Insurance

In recent years, the Connecticut legislature has looked at ways to address the rising cost of commercial health insurance premiums.

Presenter:
Janet Kaminski Leduc, Chief Legislative Attorney

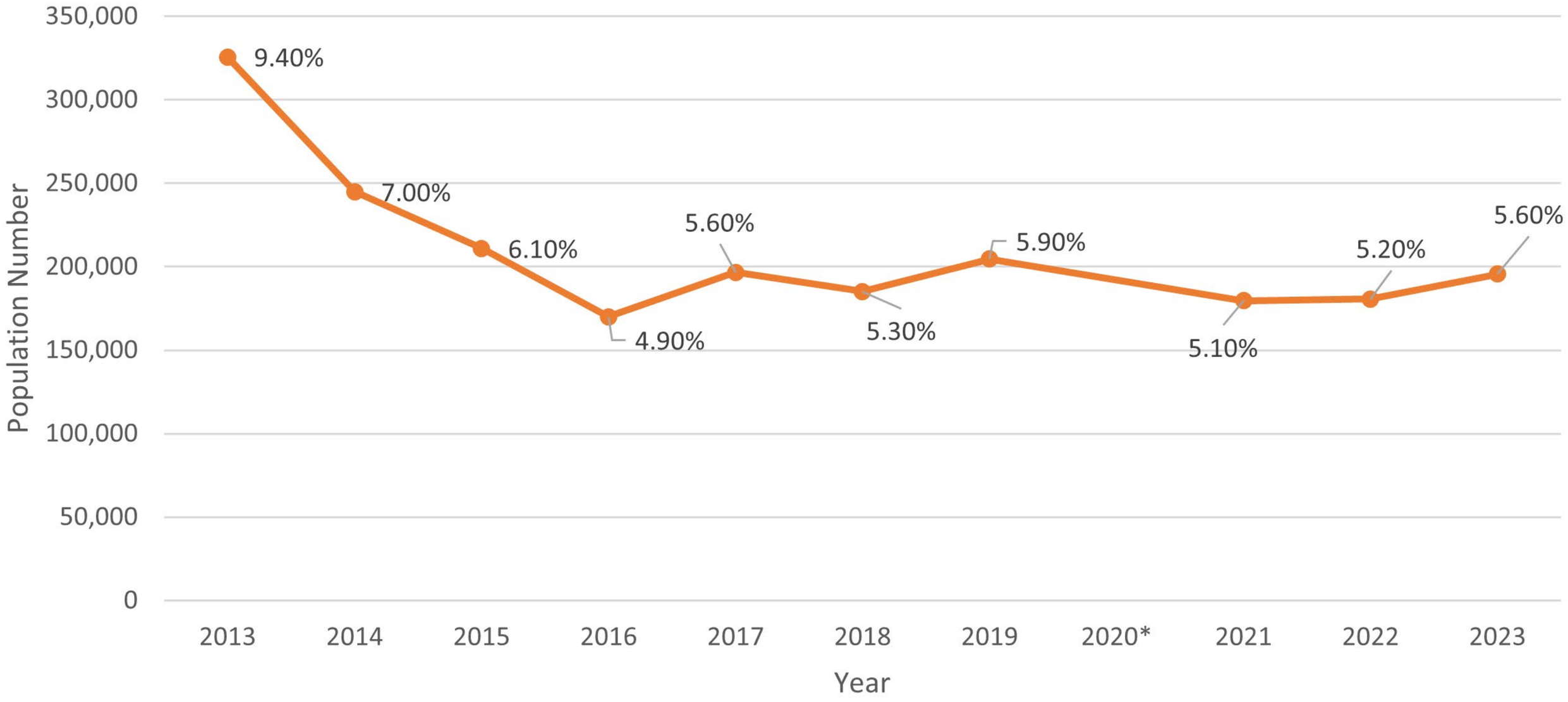
Who Covers the Population

2023

	Connecticut	United States
Employer Coverage	51.3 %	48.6 %
Non-Group Coverage	5.0 %	6.2 %
Medicaid	22.7 %	21.2 %
Medicare	14.8 %	14.7 %
Military	0.6 %	1.3 %
Uninsured	5.6 %	8.0 %
TOTAL	100 %	100%

Source: KFF analysis of U.S. Census Bureau data (American Community Survey)

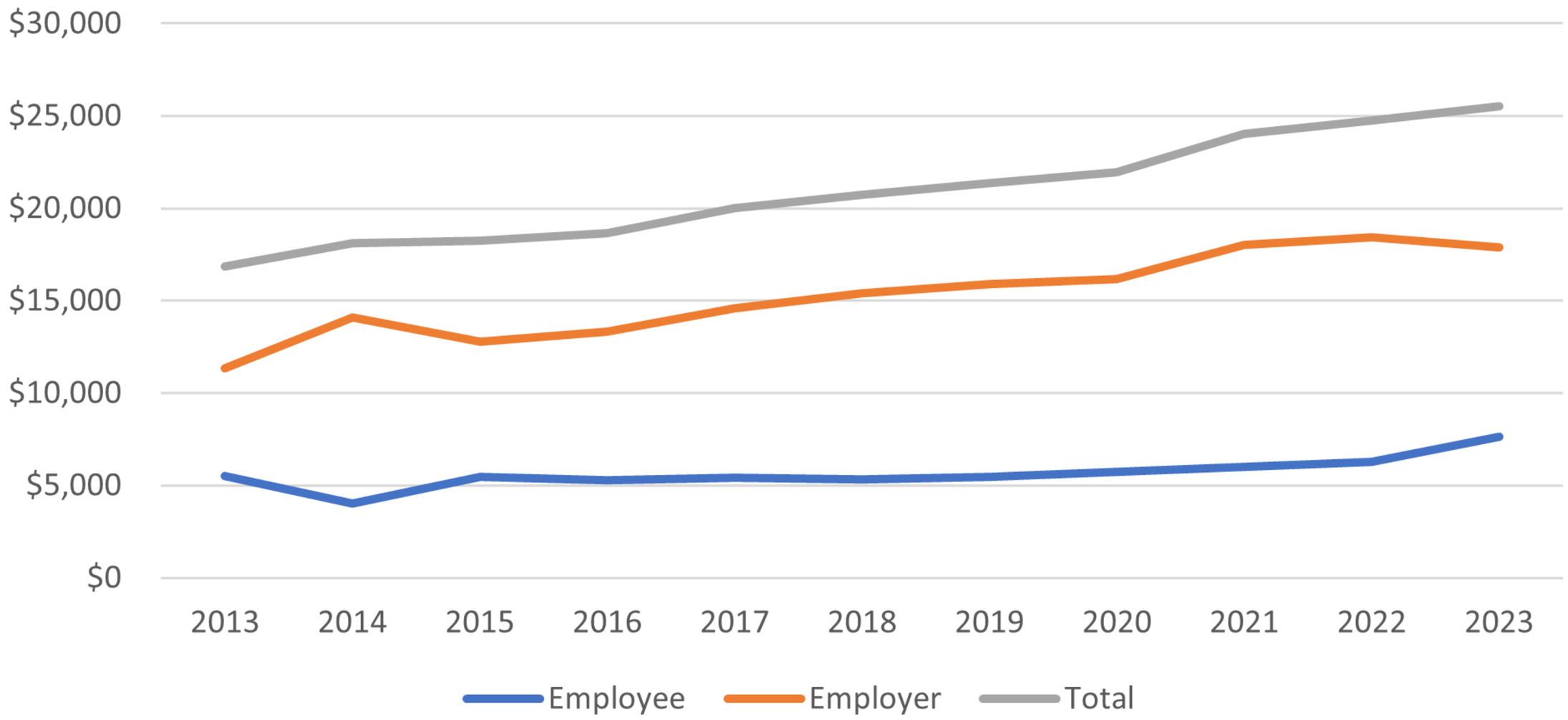
Connecticut's Uninsured Population (2013-2023)



Source: KFF analysis of U.S. Census Bureau data (American Community Survey)

**Data unavailable due to the COVID-19 pandemic*

Average Annual Family Premium Per Enrolled Employee for Employer-based Health Insurance (2013-2023)

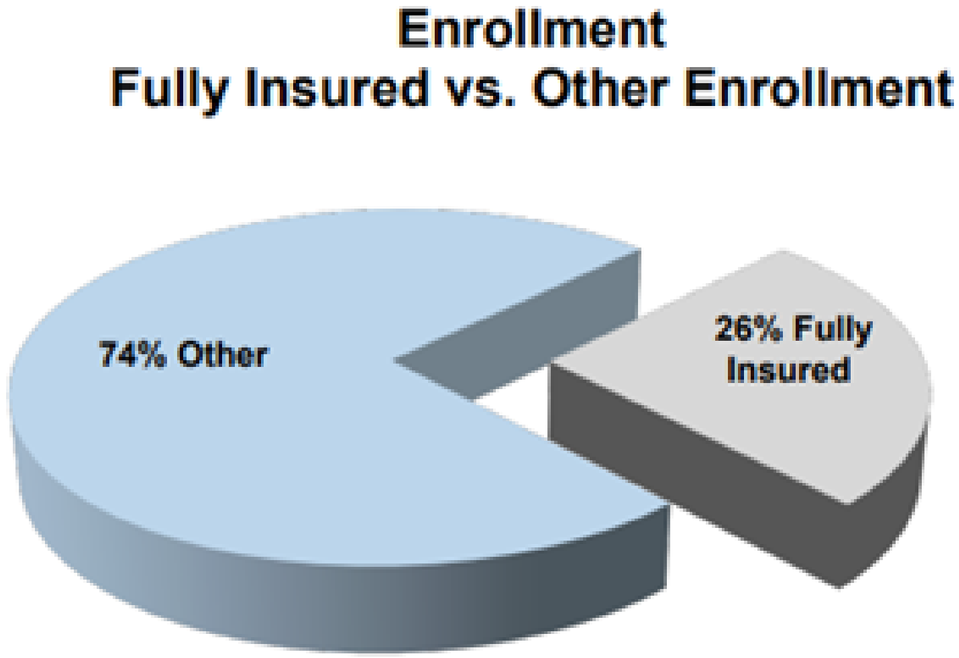


Source: KFF analysis of U.S. Census Bureau data (Medical Expenditure Panel Survey-Insurance Component)

Health Care Plans

Enrollment in Fully-Insured Plans

Due to the federal **Employee Retirement Income Security Act (ERISA)** the state only has jurisdiction over fully insured commercial health insurance policies. The U.S. Department of Labor has jurisdiction over self-insured health care plans.



Source: Connecticut Insurance Department, Consumer Report Card On Health Insurance Carriers In Connecticut, October 2024

Fully-Insured Plans

An insurer assumes financial risk in return for premium payments.

Self-Insured Plans

An employer retains the risk of paying claims from its own funds.

Rate Review Requirements

State law requires **health carriers (e.g., insurers and HMOs)** to file rates for certain fully insured commercial health insurance products offered in Connecticut with the **Connecticut Insurance Department (CID)** for review and approval. CID reviews health insurance rate filings for:

- ☑ Individual plans
- ☑ Small-employer plans
- ☑ HMO plans offered to large employers

Rate Review Factors

CID's authority to review rates is limited to whether the rates are excessive, inadequate, or unfairly discriminatory (CGS §§ 38a-481 & 38a-513 and related regulations).

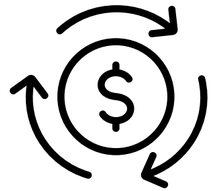
No statutory authority for CID to consider other factors (e.g., affordability).

Excessive Rate

A rate that is unreasonably high in relation to the benefits provided and underlying risks.

Inadequate Rate

A rate that is unreasonably low in relation to the benefits provided and underlying risks; continued use of it would endanger the carrier's solvency.



Unfairly Discriminatory Rate

A rate that is not actuarially sound and is not applied in a consistent way so that the resulting rate is not reasonable in relation to the benefits and underlying risk.

Health Insurance Pricing Factors

According to CID, medical costs **increased 8%-9%** and prescription drug costs **increased 12%-19%** in the last year. These increases were driven by **higher utilization** and **greater disease severity**, leading to an overall increase in healthcare spending.

Trend

The increased unit cost and utilization of medical and pharmacy services

Experience

The deteriorating or improving claim experience from the prior rating period to the current rating period

Other Variables

Cost of any new state-mandated health insurance benefits. Cost of assessments and fees that support the Insurance Fund

Recent Legislation: Enacted

Special Act 24-15, Working Group to Study Payments by Insurance Companies into the Insurance Fund

- Looking at the **assessments and fees** that insurers and related entities pay into the **Insurance Fund,** including who pays them, what they cover, and when they began being paid from the fund
- Report due to the Appropriations and Insurance & Real Estate committees by **January 1, 2025**
- Related proposed legislation may be **introduced in 2025**

Insurance Fund

Connecticut established the **Insurance Fund** in 1991 to pay for the Insurance Department's expenses.

Today, the fund finances all or part of **several agencies** (e.g., the Insurance Department, the Office of the Healthcare Advocate, the Office of the Behavioral Health Advocate, the Office of Health Strategy) as well as **certain state public health programs** listed below.

Fall prevention • Immunizations • Syringe services • AIDS services • Breast and cervical cancer detection and treatment • X-ray screening and tuberculosis care • Sexually transmitted disease control • Certain children's health initiatives

Insurance Fund

The Insurance Fund's **FY 25** budgeted amount is about **$130 million.**

The fund is capitalized by **three** assessments and fees.

1

General Assessment

Paid by all domestic insurers and HMOs, regardless of line of business

2

Health & Welfare Fee

Paid by domestic insurers and HMOs doing health insurance business in CT

Paid by licensed third-party administrators (TPAs) and domestic insurers not subject to TPA licensure

3

Public Health Fee

Paid by all domestic insurers and HMOs doing health insurance business in CT

Recent Legislation: Not Enacted

HB 6710 (2023), AAC Association Health Plans

HB 5247 (2024), AAC Employee Health Benefit Consortiums

- Allow small employers to **form an association** to offer health benefit plans to members' employees as one large employer
- These plans would be **subject to ERISA** and **governed by a CID-licensed trust**
- Set **minimum coverage requirements** for the plans
- Use a **modified community rating methodology** to pool all participating members' employees into a large group for rating purposes

Supporters

Believe more coverage would be available to small employers and at more affordable rates

Opponents

Concerned the plans would undermine consumer protections provided for in current law

Recent Legislation: Not Enacted (cont.)

HB 5054 (2024), **AA Addressing Health Care Affordability**

- Establish a **Prescription Drug Affordability Board** to analyze prescription drug costs and recommend ways to make them more affordable
- Create **affordability standards** for health insurance rate filings and **have CID consider affordability** in its rate review process

The bill did not make it out of committee.

Recent Legislation: Not Enacted (cont.)

SB 8 (2024), AAC Drug Affordability

- Establish a **Canadian prescription drug importation program** for Connecticut's Medicaid program
- Establish a **Prescription Drug Affordability Board** (PDAB) and an advisory **Prescription Drug Affordability Stakeholder Council**
- Allow the PDAB to **set upper payment limits** (UPL) for certain drugs with affordability challenges
- Prohibit purchasing prescription drugs **at a price higher than the UPL**

The bill did not come up for a vote in the Senate.

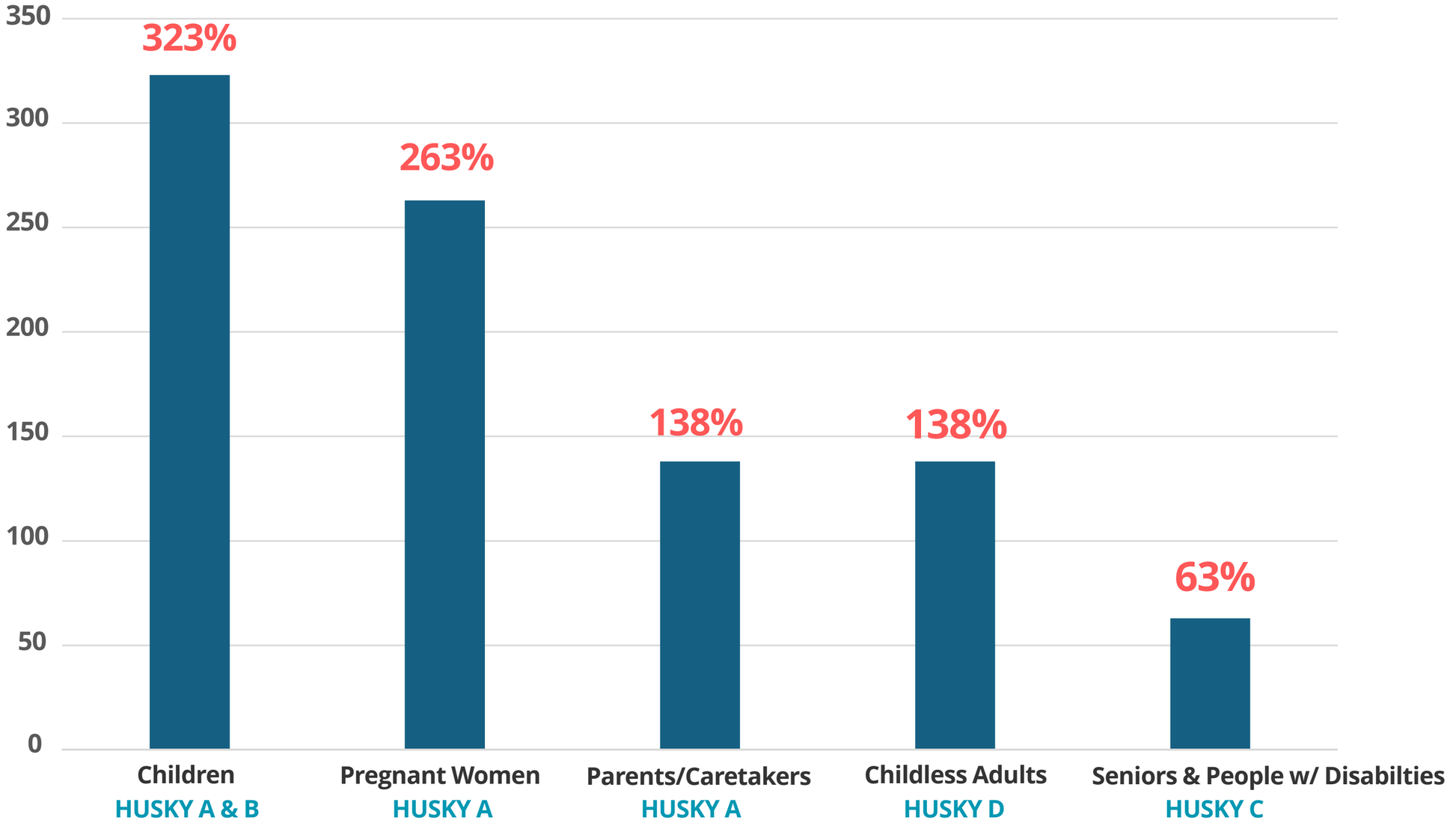
PART 3:

Medicaid

Connecticut's public health insurance program, HUSKY Health, provides Medicaid services through three programs: HUSKY A, C, and D. (HUSKY B is the state's Children's Health Insurance Program (CHIP))

Presenter:
Sarah Leser, Associate Legislative Analyst

Maximum Income Eligibility For HUSKY As A % Of The FPL



** In 2024, 100% of the FPL is $15,606 for an individual and $25,820 for a family of three*

Medicaid

Reimbursement Rate Study

Connecticut's Medicaid program is **"managed fee-for-service"** and directly sets provider reimbursement rates. In 2007, the state set rates for most services at **57.5% of the Medicare rate** . (Generally, these rates have not been broadly adjusted since.)

In 2023, the legislature directed the Department of Social Services to study these reimbursement rates in 2 phases (PA 23-186):

Phase 1 (completed)

Examine Medicaid rates for physician specialists, dentists, and behavioral health providers

Phase 2 (due January 1, 2025)

Examine rates for all other aspects of the Medicaid program (e.g., ambulance services, specialty hospitals, & complex nursing care

Medicaid Reimbursement Rate Study

Phase 1

In Phase 1, DSS compared Connecticut's Medicaid reimbursement rates for approximately **11,000 service codes** to other payors, including (1) Medicare or (2) for services without a comparable Medicare code, the average Medicaid reimbursement rates **across five states (MA, ME, NJ, NY and OR)**

Phase 1: Major Findings

Behavioral Health

Low Reimbursement Rates

- Over **90%** of Connecticut's services are reimbursed at **lower rates** than benchmark rates in other states
- On average, Connecticut Medicaid reimburses behavioral health providers **62%** of what providers are reimbursed in the five-state comparison group

Recommendations

- Initially **increase rates** up to the five-state comparison rate
- Adjust rates within the next few years using an **independent rate model**
- Adjust rates **every five years** after that

Phase 1: Major Findings

Dental Health

High Reimbursement Rates

- The majority of Connecticut's dental services are **reimbursed at higher rates** than benchmark rates in other states
- On average, Connecticut Medicaid **reimburses adult dental providers 117%** and **pediatric providers 110%** of what providers are reimbursed in the five-state comparison group

Recommendations

- Phase in a **single fee schedule** for adult & pediatric services; adjust fees using a **standard benchmark**
- **Review existing variation** in comparison values across services to determine if it is warranted
- Adjust rates at least **every five years**

Phase 1: Major Findings

Physician Specialists

Mixed Reimbursement Rates

- Over **90%** of Connecticut's **surgical and anesthesia services** are **reimbursed at lower rates** than benchmark rates in other states
- Over **70%** of Connecticut's **physician outpatient services' reimbursement rates are lower** than in comparison states
- **95% of primary care services** in CT are **reimbursed at higher rates** than in comparison states

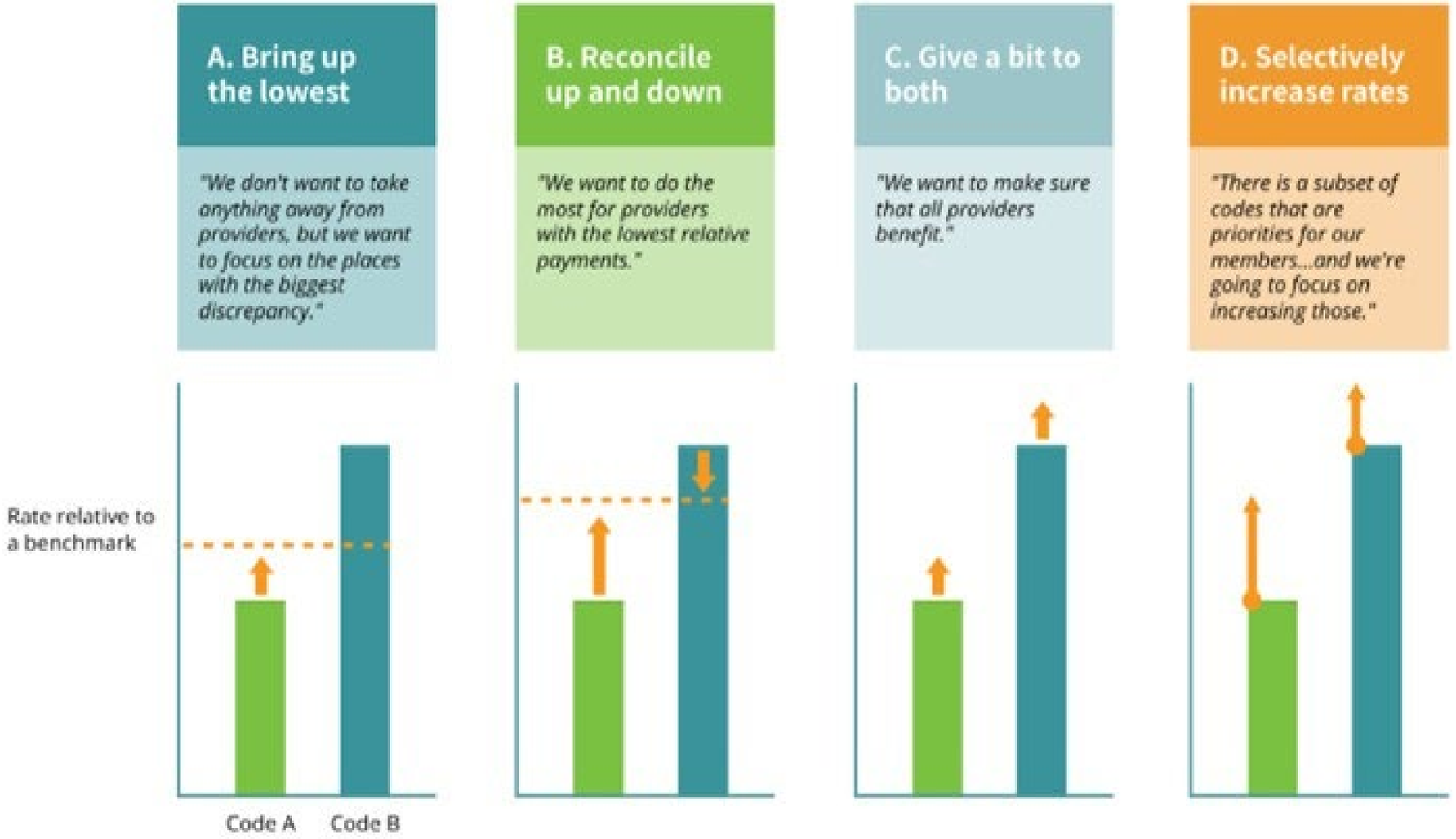
Recommendations

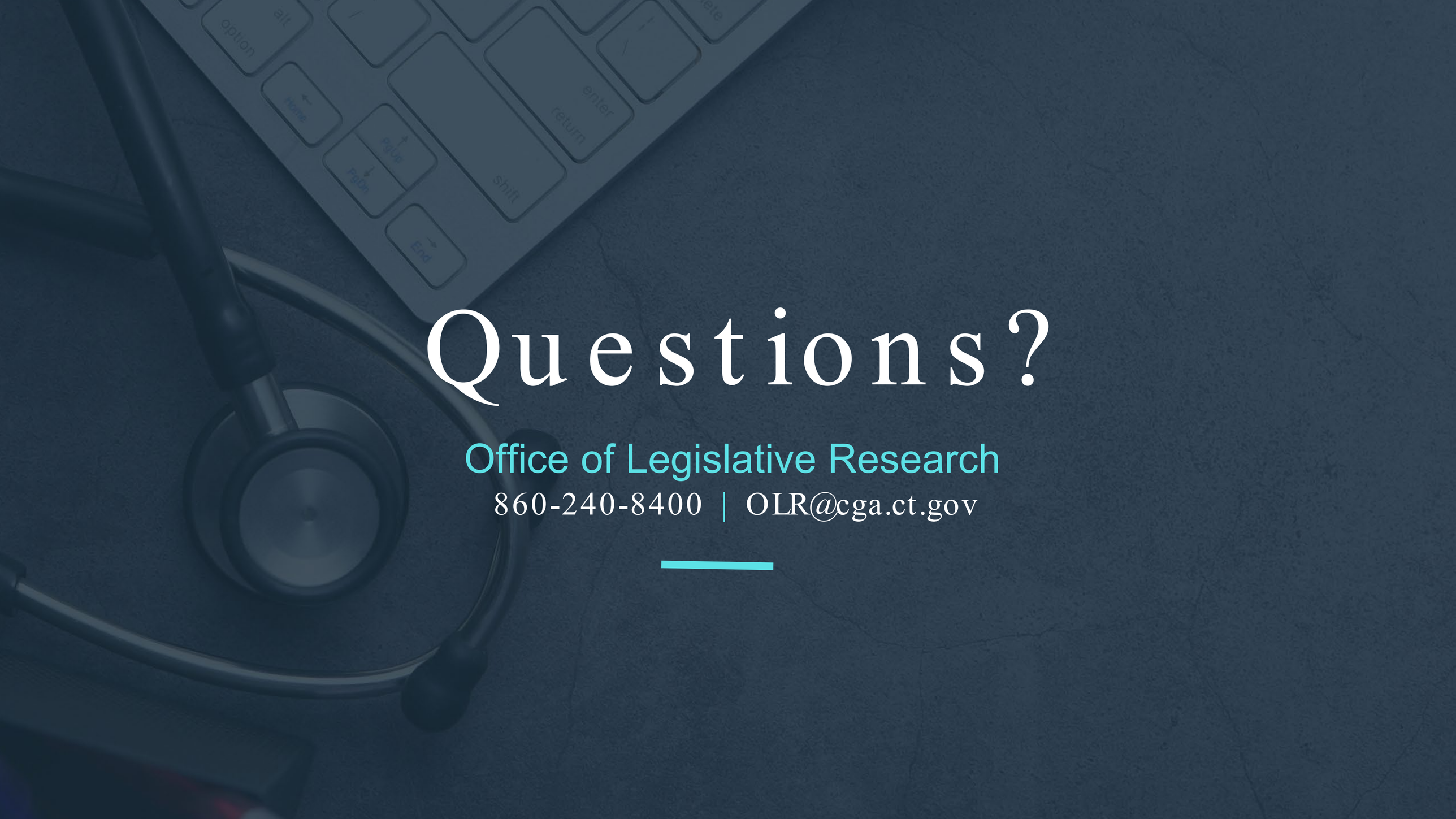
- Select a **fixed percentage of Medicare** fees to serve as the Medicaid fee schedule
- **Update the fee schedule annually** consistent with Medicare fee updates

Major Findings

Phase 1: Medicaid Rate Rebasing Considerations

Figure 4: Rate Rebasing Scenarios





Questions?

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