



Testimony of W. Wyatt Bosworth  
Assistant Counsel, CBIA  
Before the Connecticut Health Insurance Exchange Board of Directors  
Hartford, Connecticut  
April 21, 2022

**Testifying in opposition to:**

**Proposed \$2.8M Assessment Increase**

My name is Wyatt Bosworth and I am assistant counsel 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, with less than 100 employees.

Thank you for the opportunity to comment on the AHCT Finance Committee's proposed FY 23-FY 24 budget and the associated recommendation to increase the assessment rate from 1.65% to 1.80%. CBIA is strongly opposed to this assessment increase as it increases the cost of health insurance that our small business members provide for their employees.

The rising cost of health insurance continues to be a major issue for Connecticut small employers. In a recent survey of our membership, 90% of our members reported offering health insurance to their employees and 98% of respondents reported they were very or somewhat concerned with rising healthcare costs.

Even though small businesses are not required under the ACA to offer health insurance to their employees, many do so because a healthy workforce not only improves our employers' ability to retain talent and foster a happy, productive, and prosperous workplace, but quite frankly, it is the right thing to do.

The proposed assessment increase comes only months after the Connecticut Insurance Department approved health insurance premium rate increases for the small group market. In that market, DOI approved rate increases by an average of 6.7% with some plans seeing as high as 15% increases. The increasing cost of employer-sponsored healthcare, due to yearly premium increases and assessments, has resulted in many



businesses shifting the cost to their employees, and in some cases, businesses simply stop offering coverage. According to OHS, Connecticut worker contributions to employer-sponsored insurance premiums have grown two and a half times faster than personal income since the year 2000.

Assessments and taxes continue to be a major driver in overall insurance costs for individuals and small businesses. Recent data acquired from the health carriers shows that fully-insured plans incur \$359.6 million in assessments, taxes, and fees annually;<sup>1</sup> self-insured plans incur \$74 million annually.<sup>2</sup> This results in a per member cost in the fully-insured market of \$591 annually, and \$54 annually for the self-insured market. The proposed assessment increase before you today would add \$2.8 million to the \$359.6 million that fully-insured plans already pay.

Given the large burden that assessments and recent premium increases place on small businesses, we respectfully urge the board to reject the AHCT Finance Committee's recommendation to increase the exchange assessment by \$1.4 million annually. Small businesses are facing record workforce shortages, massive unemployment fund obligations, and a shaky economy; this assessment will only exacerbate these problems and make it harder for small businesses to survive. Thank you.

---

<sup>1</sup> Fully-insured plans are subject to: (1) premium taxes; \$209m; (2) insurance fund: \$40.6m; (3) exchange: \$36m; (4) public health assessment: \$11.8m; (5) public health and welfare assessment: \$62.2m.

<sup>2</sup> Self-insured plans are only subject to the public health and public health & welfare assessments totaling \$74m annually.