



Testimony of W. Wyatt Bosworth
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Before the Board of Directors, Access Health CT
Hartford, Connecticut
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Testifying in Opposition to:

Proposed \$3.7 Million Marketplace Assessment Increase - FY 2024-2025 Budget

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-three percent of our member companies are small businesses, with less than 100 employees. Thank you for the opportunity to **testify in opposition to the AHCT Finance Committee's proposed FY 2024-2025 budget and the associated recommendation to increase the marketplace assessment rate from 1.65% to 1.85%. CBIA is strongly opposed to this recommendation as it will increase the cost of on and off-exchange small group health insurance products.**

Connecticut small employers struggle every year to keep up with rising healthcare costs. The recent withdrawal of Connecticare from the fully insured market, the rate requests made public by the Insurance Department last week, the failure of AHCT to run a successful SHOP exchange, and the addition of new health benefit mandates every year have all contributed to a fully insured market that is shrinking and on life support. The approval of a 12% hike in the marketplace exchange assessment will only continue the five-year trend of small employers either migrating to the level-funded market or dropping coverage all together.

As of 2021, the small group fully insured market enrolled 109,471 lives; down from 235,337 lives in 2017. Further, the SHOP exchange is barely existent with an enrollment number around 3,000 lives. As this market continues to shrink due to the proliferation of level-funded products, (the creation and expansion of such a market that is caused by the ability of small employers to cut costs by avoiding unpredictable and costly assessments, premium taxes and benefit mandates due to ERISA preemption) Access Health CT should be working to **lower** the cost of health insurance, not **raise** the cost of health insurance.

Further, as evidenced by the SHOP exchange's low enrollment numbers, it is counterintuitive to continue to make small employers that purchase off-exchange insurance products subsidize individuals and Medicaid recipients who actually utilize Access Health resources. Why should small employers continue to pay for an exchange that they do not use and that has failed to offer competitive products?

Access Health was prudent in its decision to reject last year's marketplace assessment increase and opt instead to cover the budget deficit with budget reserves. CBIA urges Access Health to do the same this year. Small employers simply cannot afford any more unnecessary costs. Thank you for the time.