



State of Connecticut
HOUSE OF REPRESENTATIVES
STATE CAPITOL
HARTFORD, CONNECTICUT 06106-1591

REPRESENTATIVE KERRY WOOD
29TH ASSEMBLY DISTRICT

LEGISLATIVE OFFICE BUILDING, ROOM 2800
CAPITOL: (860) 240-8585
TOLL FREE: (800) 842-8267
E-MAIL: Kerry.Wood@cga.ct.gov

CHAIR
INSURANCE AND REAL ESTATE COMMITTEE

MEMBER
FINANCE, REVENUE AND BONDING COMMITTEE
COMMERCE COMMITTEE

To: Access CT Board of Directors
From: Rep. Kerry Wood, Rep. Jill Barry, Rep. Cara Pavalock-D'Amato, Sen. Tony Hwang,
Rep. Tammy Nuccio, Rep. Stephen Meskers, Rep. Keith Denning

Date: June 21, 2023

Re: Proposed Assessment Increase

Dear Board Members:

It has come to our attention that the Access Health CT (AHCT) Finance Committee is recommending that the Board increase policy holder assessments from 1.65% to 1.85% in order to continue funding Exchange operations.

According to the Finance Committee, the increase equates to \$1.44 pmpm (per member per month.) We have also heard estimates that range from between \$1.60 to \$1.80 pmpm for policyholders. While we understand that some individuals on the Exchange may be shielded from these increases due to subsequent increases in subsidy, the same is not true for the rest of fully-insured market.

By way of example, consider just the impact on the small group fully-insured market segment (the most sensitive market segment) utilizing the AHCT number:

$\$1.44 \times 12 \text{ months} \times 55,000 \text{ members} = \text{an additional } \$950,400 \text{ assessment}$

A family of four will see their premium rise by \$70 annually just to pay this one increased assessment.

As you move forward with further consideration of this proposal, we ask that you be mindful of not just of the impact on Exchange members but also of the impact on the overall commercial group market as well. This is where we see the highest stress levels in the system.

On behalf of the Insurance Committee members listed, we ask that the Board consider any and all alternatives before taking any action that will result in increased premiums and ask that you once again deny this request.

We value and appreciate the role Access Health CT plays in delivering health Insurance to Connecticut residents. However, as policymakers we must make tough decisions that assure we are not complicit in the escalating cost of insurance. Premiums continue to increase due to the trends in the underlying cost of care that include new and exciting developments improving overall health outcomes. But, it all comes at a cost to consumers and that cost is too much.

Next week, the Office of Health Care Strategy will undertake its first public hearing on health care cost drivers. We know that hospitals and pharmaceutical costs are among the primary drivers. We know that the past two years have been anomalies due to COVID and its impact. We know that the workforce shortage plays a huge role these dynamics. Now is not the time to increase the administrative costs that funnel into premiums as well.

The Exchange assessment is but one tax levied on the fully insured population. At \$30 million annually, it joins a total of \$138.3 million in other assessments levied on the industry to support the operations of the Connecticut Department of Insurance, the Office of Health Strategy, the Offices of Health Care and Behavioral Health Advocates, and programs unrelated to insurance under the Department of Health among other things. While individual assessment amounts may seem inconsequential when viewed in isolation, combined they clearly add up to significant dollars that are born by the very people we are trying to assist.

To add insult to injury, it appears \$30 million in assessments funds were swept during this latest budget cycle and instead committed to the general fund. Between that, and the fact that the property casualty insurers are now lobbying to exempt themselves from assessment formulas, the time has come to do a deep dive into all assessments and determine their cost and benefit.

Our committee intends to hold workgroup sessions on these issues throughout the interim to undertake that analysis. We are holding health plans, hospitals, and pharmaceutical companies accountable for their increases. We must hold government entities and/or quasi-public entities accountable to those same standards.

We strongly encourage the Board to do an accounting of the Access Health CT budget before moving forward with this increase. We also look forward to your participation in our upcoming workgroup as we explore ways to minimize reliance on these assessments to fund government programs in the future.