



**TESTIMONY OF  
CONNECTICUT HOSPITAL ASSOCIATION  
SUBMITTED TO THE  
HUMAN SERVICES COMMITTEE  
Tuesday, March 20, 2018**

**HB 5463, An Act Concerning A Medicaid Public Option**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **HB 5463, An Act Concerning A Medicaid Public Option**.

Before commenting on the bill, it's important to point out that Connecticut hospitals provide high quality care for everyone, regardless of their ability to pay. Connecticut hospitals are dynamic, complex organizations that are continually working to find innovative ways to better serve patients and communities and build a healthier Connecticut. By investing in the future of Connecticut's hospitals, we will strengthen our healthcare system and our economy, put communities to work, and deliver affordable care that Connecticut families deserve.

HB 5463 creates a Medicaid Public Option. This new Medicaid Public Option, which would be called HUSKY E, would, among other things, (1) include the ten essential health benefits required pursuant to 42 USC 18022; (2) enroll only persons not otherwise eligible for Medicaid pursuant to HUSKY A, B, C, or D; (3) be funded by premiums assessed by the Commissioner of Social Services; and (4) maximize access to necessary health services, as determined by the commissioner, by applying any excess of funds received over plan costs to increase reimbursement rates for providers. HB 5463 would also require the Department of Social Services to ensure that the Medicaid Public Option does not diminish the long-term sustainability of or otherwise negatively impact the Medicaid program or the Connecticut Health Insurance Exchange.

CHA applauds the sponsors of HB 5463 for thinking about ways for Connecticut to ensure that every resident has access to affordable health insurance. We know that access to affordable health insurance is essential to building a healthier Connecticut. We also commend the Committee for including a provision requiring that any excess funds received over plan costs be used to increase reimbursement to providers.

We appreciate that one of the stated goals of this bill is that the new Medicaid Public Option will not negatively impact the Medicaid program or the Connecticut Health Insurance Exchange.

We offer the following suggestions for your consideration to prevent confusion among patients, providers, and regulators.

First, we recommend you refer to the new insurance plan as a “Public Option” rather than a “Medicaid Public Option,” for the simple reason that if someone is eligible to participate in the Medicaid program, then he or she will not be eligible for the new Public Option.

Second, since the new plan is not Medicaid, but rather an insurance plan, regulatory oversight and sponsorship should reside with the Connecticut Department of Insurance.

Third, the legislation should clarify that the rates to be paid to providers will be based on commercial insurance rates rather than Medicaid rates. We believe that basing a new Public Option on Medicaid rates, less available tax credits and subsidies, would destabilize the Health Insurance Exchange and the Medicaid program, and negatively impact the already fragile provision of employer-sponsored health insurance in Connecticut.

While we applaud the exploration of new options to address the affordability of health insurance, we also emphasize our concern that the creation of a new Public Option may direct attention away from existing problems with the Medicaid program for patients, providers, and businesses. As we all know, in both good times and bad, inadequate Medicaid funding has been and continues to be a problem that has adversely impacted beneficiaries, the state, hospitals, and employers.

We offer to work with this Committee and the sponsors of this legislation to find ways to increase access to health insurance and health services, address Medicaid’s underfunding of hospitals, and reduce the tremendous costs being shifted to Connecticut businesses and employees.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.