



**TESTIMONY OF  
CONNECTICUT HOSPITAL ASSOCIATION  
SUBMITTED TO THE  
INSURANCE AND REAL ESTATE COMMITTEE  
Thursday, March 5, 2020**

**HB 5018, An Act Concerning Health Care Cost Growth In Connecticut**

**SB 328, An Act Concerning Health Care Cost Growth Benchmarks, Canadian Drug Reimportation, Stop-Loss Insurance And Reinsurance**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **HB 5018, An Act Concerning Health Care Cost Growth In Connecticut** and **SB 328, An Act Concerning Health Care Cost Growth Benchmarks, Canadian Drug Reimportation, Stop-Loss Insurance And Reinsurance**. CHA is committed to working with the legislature and Governor to address healthcare affordability and access in Connecticut and is interested in working with all parties to ensure that this legislation provides the appropriate pathway for that work.

Before commenting on this bill, it is important to point out that Connecticut hospitals and health systems provide high quality care for everyone, regardless of their ability to pay, and work to improve the health of those who live in our communities. Supporting Connecticut's hospitals strengthens our healthcare system and our economy.

Both HB 5018 and SB 328 would, among other things, place in statute language implementing Governor Ned Lamont's Executive Order No. 5 (EO 5), which requires the Office of Health Strategy (OHS) to implement, beginning in 2021, an annual cost growth benchmark, an increase in primary care spending (as a percentage of total spending), and development of quality benchmarks.

CHA is committed to sustaining and improving access to high quality healthcare services across our state. We appreciate that affordability is central to that commitment and every actor in the system, i.e., provider, payer, pharmaceutical and device manufacturer, employer, and government, has an important role to play in this work. While health spending growth slowed nationally between 2010 and 2018 compared to earlier decades, and is now in closer alignment with gross domestic product (GDP) growth than in years past, we know that we have more work to do in this regard.

As such, we believe that statewide coalescence around a more sustainable growth rate for healthcare expenditures can be an important opportunity to alter the trajectory of healthcare spending in our state. We firmly believe that this work should be in partnership and CHA and its member hospitals are committed to working with this Committee and OHS on the implementation of EO 5 and any future implementing legislation.

In considering HB 5018 and SB 328, we encourage the Committee to consider how the legislation can:

- Memorialize robust stakeholder participation in the development of the benchmarks and subsequent periods of evaluation
- Better define the parameters, including excepted costs, by which measurement of performance against the benchmark will be determined
- Avoid legislatively hard-coded targets to retain flexibility in future years
- Ensure the base-year benchmark, and any subsequent rebased benchmarks, includes consideration of state spending agreements
- Provide that all healthcare spending (physician, hospital, long-term care, pharmaceutical, device, payer, government, etc.) is captured in the benchmark calculation
- Include appropriate adjustment factors

We look forward to a continued conversation with the Committee to refine the legislation so that its provisions will best promote access to and affordability of healthcare services in our state.

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