



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
INSURANCE AND REAL ESTATE COMMITTEE
Tuesday, March 15, 2022**

HB 5383, An Act Concerning Association Health Plans

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **HB 5383, An Act Concerning Association Health Plans**.

Since early 2020, hospitals and health systems have been at the center of Connecticut's response to the COVID-19 public health emergency, acting as a vital partner with the state and our communities. Hospitals expanded critical care capacity, procured essential equipment and supplies, and stood up countless community COVID-19 testing locations. Hospitals have been an essential component of the statewide vaccine distribution plan including efforts to reach and serve historically under-resourced communities disproportionately affected by the virus.

CHA supports the expansion of affordable, comprehensive health insurance options in our state. We know that insured individuals have greater access to regular sources of healthcare and this access can prevent more serious healthcare conditions from forming or getting worse through an individual's lifetime.

HB 5383 would authorize the offering of association health plans by sponsoring associations to the extent permitted under federal law.

Unfortunately, experience demonstrates that without appropriate regulation, association health plans can be vulnerable to fraud and insolvency. To the extent these plans proliferate under this legislation, it is imperative that appropriate measures, such as solvency requirements, be put in place to ensure that the financial contributions of the insured individuals are not put at risk and that the plan retains the wherewithal to make claims payments.

Additionally, we encourage the Committee to consider the impact that these plans may have on the overall health insurance marketplace. Association health plans are often designed to attract healthier, younger members, which can result in damaging risk pools that grow costlier as those left behind often require more costly and frequent healthcare services.

Finally, the Committee should consider how plan design will affect the benefits offered under these plans. From experience, we see that association health plans may offer fewer, less

comprehensive benefits leaving some plan enrollees exposed when care is required for services not covered by the plan. Being insured alone is not sufficient. A comprehensive set of covered benefits is essential.

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