

PA10-13

HB5219

House	528-534	7
Insurance	830, 832, 848-852, 878, 880, 915, 917, 977, 981-982, 990-991, 994-995, 1000-1001, 1054-1055	22
<u>Senate</u>	<u>869, 1063-1066</u>	<u>5</u>
		34

H – 1075

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2010**

**VOL.53
PART 2
294 – 594**

rgd/md/mb
HOUSE OF REPRESENTATIVES

83
April 7, 2010

House Bill 5201 as amended by House "A."

Total Number voting	145
Necessary for adoption	73
Those voting Yea	145
Those voting Nay	0
Those absent and not voting	6

DEPUTY SPEAKER O'ROURKE:

The bill passes.

Clerk, please call Calendar 44.

THE CLERK:

On page 7, Calendar 44, substitute for House Bill
Number 5219, AN ACT EXTENDING STATE CONTINUATION OF
HEALTH INSURANCE COVERAGE, favorable report by the
Committee on Insurance.

DEPUTY SPEAKER O'ROURKE:

The Chair recognizes Representative Fontana.

REP. FONTANA (87th):

Thank you, Mr. Speaker. Good afternoon to you.

DEPUTY SPEAKER O'ROURKE:

Good afternoon to you, sir.

REP. FONTANA (87th):

Mr. Speaker, I move for acceptance of the Joint
Committee's favorable report and passage of the bill.

DEPUTY SPEAKER O'ROURKE:

rgd/md/mb
HOUSE OF REPRESENTATIVES

84
April 7, 2010

The question is on acceptance and passage. Will you remark?

REP. FONTANA (87th):

Thank you, Mr. Speaker.

Mr. Speaker, this bill extends from 18 months to 30 months the period for which certain people and their dependents may continue group health insurance under our State's mini COBRA law.

To qualify for this continued coverage, a person must have experienced a specific qualifying event, such as a layoff, reduced hours, leave of absence or a termination of employment for reasons other than death or gross misconduct.

The bill's extended coverage provision applies to people who are already continuing coverage due to those qualifying events and to people who elected to continue coverage on and after the bill's passage. Under current law and unchanged by the bill, spouses and dependents who are continuing coverage for any other reason, such as the death of an employee or a divorce, are permitted to continue coverage for this period set forth under federal law, under federal COBRA, which is 36 months.

Mr. Speaker, we received impressive testimony on

rgd/md/mb
HOUSE OF REPRESENTATIVES

85
April 7, 2010

this bill in committee, and we certainly heard from enough of our colleagues who have constituents who are experiencing the imminent or incipient loss of their health insurance due to the current economic downturn and the current 18-month guideline.

We believe this is an appropriate extension of time, and it did pass from the committee unanimously, and I urge passage.

DEPUTY SPEAKER O'ROURKE:

Thank you, Representative.

Will you remark? Will you remark?

Representative D'Amelio of the 71st.

REP. D'AMELIO (71st):

Thank you, Mr. Speaker. Good afternoon to you.

I also rise in support of the bill before us.

Mr. Speaker, I think it's important that we act on this bill today because given the circumstances in our economy, the high unemployment rate, this benefit will extend out to a lot of people that are truly in need of keeping their health insurance intact. So I urge this Chamber's adoption. Thank you.

DEPUTY SPEAKER O'ROURKE:

Thank you, Representative.

Will you remark?

rgd/md/mb
HOUSE OF REPRESENTATIVES

86
April 7, 2010

Representative Candelora of the 86th, you have the floor.

REP. CANDELORA (86th):

Thank you. Thank you, Mr. Speaker.

If I might, a question to the proponent of the bill?

DEPUTY SPEAKER O'ROURKE:

Representative Fontana, prepare yourself.

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

It is my understanding right now under current law, which we, I think, changed last session -- when an individual ends up going onto COBRA, the employee is currently responsible for 35 percent payment of that premium and the other 65 percent of the premium is paid for by the employer. And that that employer is then reimbursed for the payment.

Am I correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER O'ROURKE:

Representative Fontana.

REP. FONTANA (87th):

Through you, Mr. Speaker, the gentleman is

rgd/md/mb
HOUSE OF REPRESENTATIVES

87
April 7, 2010

conflating two separate but related issues related to COBRA. The issue he's talking about has to do with the federal subsidy pursuant to the federal stimulus act of last year and its extension this past December, which enables a federal subsidy for 15 months of that period, during which time the employee or former employee would pay no more than 35 percent, and the federal government would pay the remaining 67 percent.

This is a separate matter. This extends the length of time one may be eligible to continue coverage, even paying for it entirely yourself, which was the law prior to the creation of the stimulus act last year, and ultimately probably will be whenever the stimulus dollars end and the federal government subsidy ends.

So it's a separate matter related, but not related to the subsidy issue which we dealt with last month or the month before. Through you.

DEPUTY SPEAKER O'ROURKE:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

So through this extension from 18 months to 30 months, what we're doing here is, that time frame

rgd/md/mb
HOUSE OF REPRESENTATIVES

88
April 7, 2010

then, the employee would be responsible for the
hundred percent payment under COBRA. Am I correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER O'ROURKE:

Representative Fontana.

REP. FONTANA (87th):

Through you, Mr. Speaker, yes. What we are doing
is extending the maximum period of time that the
former employee would be eligible to continue coverage
at that 100 percent cost. Through you.

DEPUTY SPEAKER O'ROURKE:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker, and thank you for your
answers.

DEPUTY SPEAKER O'ROURKE:

Thank you, both.

Will you remark? Will you remark further on the
bill before us? If not, staff and guests please come
to the well of the House. Members be seated. The
machine will be open.

THE CLERK:

The House of Representatives is voting by roll
call. Members to the chamber. The House is taking a

rgd/md/mb
HOUSE OF REPRESENTATIVES

89
April 7, 2010

roll call vote. Members to the chamber, please.

DEPUTY SPEAKER O'ROURKE:

Have all members voted? Have all members voted?
Please check the machine, the board to determine if
your vote has been properly cast. If all members have
voted the machine will be locked and the Clerk will
take a tally.

Clerk, please announce the tally.

THE CLERK:

House Bill 5219.	
Total Number voting	147
Necessary for adoption	74
Those voting Yea	147
Those voting Nay	0
Those absent and not voting	4

DEPUTY SPEAKER O'ROURKE:

The bill passes.

Clerk, please call Calendar 21.

THE CLERK:

On page 6, Calendar 21, substitute for House Bill
Number 5002, AN ACT CONCERNING PREMIUM QUOTES AND
INFORMATION FOR SMALL EMPLOYER HEALTH INSURANCE
COVERAGE, favorable report by the Committee on
Insurance.

**JOINT
STANDING
COMMITTEE
HEARINGS**

**INSURANCE AND
REAL ESTATE
PART 3
673 – 1001**

2010

SENATOR CRISCO: No. You're doing fine, David.
Thank you very much.

DAVID FUSCO: Thank you.

SENATOR CRISCO: We appreciate it, and we look
forward to working with you.

DAVID FUSCO: Thank you.

SENATOR CRISCO: Since it has gone past 3 o'clock we
will now turn to the alternate lists between
public and officials. And the next Speaker is
Speaker Donovan.

REP. DONOVAN: Well, hello members of the Insurance
Committee. Senator Crisco, Representative
Fontana, all the members, great to see you. I
just want to say it's certainly a pleasure to
be here.

I'm here to speak on a number of bills, but I
think, particularly, Senate Bill 194, AN ACT
CONCERNING RATE APPROVALS FOR INDIVIDUAL HEALTH
INSURANCE POLICIES. There's testimony. You
should have copies of it. I'll just jump to
the second page.

But generally, I think that listening to the
back-and-forth, Senator Hartley kind of
mentioned, is that we are hearing, and pretty
much every day, about the rate increases. And
we certainly have some concerns as Legislators
to figure out what we can do about it. What
can we do about it and try to find out more
information.

And certainly, you know, I would like to
juxtapose the rate increases of 20, 30 -- in
California, almost 40 percent -- these

HB5235

HB5219

COMMITTEE

care advocate to intervene in rate cases and appeal rate decisions to the superior court. We have the Consumer Council in terms of the utilities. And this would give someone in our -- in our state government a rate -- a way to intervene in those cases.

So I think there are very reasonable requests, so we can provide some answers to the people and maybe find some reasons to approve or not approve that. So I think that's important.

I'd also like to talk about two other bills, the evidence of noncoverage for health insurance. I've heard both from patients and providers concerned about coverage they thought they had, and it turns out maybe they didn't have it, and find out, yes, they did have it. And that -- to clear up that confusion, so that people would know what coverage they have in their health insurance. That's important.

HB5235

And then, the other, House Bill 5219, extending the state continuation of health insurance coverage, otherwise known as everybody's COBRA. I think that's a great idea. It helps people who, right now, are going through high unemployment, the chance to continue their health -- their health care, at their cost.

So I think these are three great proposals and I certainly support them. I thank the committee for its -- its hard work now, and in the future, to get these things done.

SENATOR CRISCO: Thank you, sir. Appreciate it.

Questions?

Representative Geragosian.

it puts more pressure on public plans to be the safety net. And in Maine, we only have one safety net and that's a public plan.

And we have Medicaid as the one public plan and then we have a state subsidized plan that's run by a nonprofit that's another subsidized plan. That plan, run by the state, has seen a 74 percent premium increase in the last four years.

REP. C. WRIGHT: In the amount that people paid for the state plan?

TARREN BRAGDON: Yes. Not the state employees, but our state subsidized safety-net plan.

SENATOR CRISCO: (Inaudible.) Is that (inaudible).

TARREN BRAGDON: Yes.

SENATOR CRISCO: Any other questions?

Thank you so much, Tarren. We greatly appreciate it.

TARREN BRAGDON: Thank you.

SENATOR CRISCO: Representative Reeves.
Representative Reeves, are you still here?

REP. REEVES: Thank you. I'm Peggy Reeves and I'd like to thank the distinguished cochairs, ranking members and members of this committee.

Thank you for allowing me to speak on two proposed bills, Senate Bill 194, AN ACT CONCERNING RATE APPROVALS FOR INDIVIDUAL HEALTH INSURANCE POLICIES, and House Bill 5219, AN ACT EXTENDING STATE CONTINUATION OF HEALTH INSURANCE COVERAGE.

With the growing numbers of Connecticut residents who are underemployed, holding down part-time jobs which provide no health care benefits, and the increasing numbers of unemployed Connecticut residents, the lack of affordable health care continues to be a huge problem for our state.

I'd like to speak to these two bills and I'd like to highlight the testimony of three of my constituents. You should have the written -- their written testimonies. They are Paul Simeone, Courtney Carney and Frank Ruggiero.

Courtney Carney I'll speak to first. She is 41 years old. And unfortunately, it's a phenomenon of this current recession that many adult children have to move back into the home of their parents.

So she is 41 years old and she lives with her parents. She has no dependents. She's in good health with no pre-existing conditions. She works as a book shelver at a local library and earns about \$860 a month. The rest of the time she provides childcare for the balance of the week and earns about another \$800 a month. Neither job, obviously, provides health care; so she pays for the premiums herself.

In January of 2010, her health insurance premium increased from \$434 to \$765, an increase of 75 percent. This means that she is paying almost 50 percent of her income just for medical insurance. So she asked, can the State of Connecticut exercise any control over these excessive rate increases? And she thanks you.

And I'd also like to highlight the testimony of another individual and a small business owner.

rgd/gdm INSURANCE AND REAL ESTATE
COMMITTEE

1:00 P.M.

The individual is called Simeone and we're speaking on behalf of COBRA extension benefits. He was laid off by the City of Bridgeport in 2008. He was the IT technology manager. He has been looking actively for a job since 2008. He is a single father with a 21-year-old son and an 18-year-old daughter.

His son is a student at Western Connecticut State University and his daughter is a senior at Wilton High School. They both hold down part-time jobs in addition to going to school.

His COBRA was over \$500 a month and that was just for himself, not for the children. His COBRA, thankfully, was subsidized 65 percent by the federal government. But that -- I don't know how long that will continue. It was due to actually terminate this month. There may have been a continuance for a little while, I believe. However, he's been notified by the City of Bridgeport that his COBRA benefits will terminate on April 30, 2010. As a result, he's been searching in vain for affordable health insurance.

He has -- he has looked for group policies for himself and his children because the children are both now over the age of 18. They're no longer covered by HUSKY. He's also checked into Charter Oak. But unfortunately, under Charter Oak, you must have no insurance for six months before you can be covered by the Charter Oak plan.

The whole situation for him is frustrating and overwhelming. He works hard to be a provider for his family and he's trying to keep his family together despite the current economic conditions. However, the insurance situation is beyond his ability to comprehend and

COMMITTEE

control. So he appreciates whatever this committee can do on his behalf.

And quickly, finally, I'll talk about the small business owner. His name is Frank Ruggiero. He owns, or is part of an ad advertising agency in Stamford, Connecticut, and he lives in Wilton.

He has been, unfortunately, his company has had to downsize and he's had to terminate -- terminate the employment of some loyal staff members. He was so concerned about the fact that these people would -- would soon be losing their COBRA benefits, that he wrote to us and he asked us to please try to continue an extension of COBRA benefits from 18 months to 30 months. Because he was, honestly, very concerned about the welfare of those employees that he's had to unfortunately layoff due to this current recession.

So I thank you for taking the time to listen to me. And if you have any questions at all --

SENATOR CRISCO: Thank you, Representative.

If there's any questions?

Chairman Fontana.

REP. FONTANA: Thanks, Chairman.

And thank you, Representative, for testifying. And please extend our thanks to Mr. Ruggiero, as well, because I believe he corresponds with us regularly. So I think he -- he may have brought us the idea before -- before you did, but -- directly. But thank him for us and thank you for your testimony.

REP. REEVES: Okay. Great. Thank you.

SENATOR CRISCO: And Representative, I will look into, you know, the federal extension of COBRA. I believe they have extended it several months. So I will look into that.

Any other questions?

Thank you.

REP. REEVES: Okay. Thank you.

SENATOR CRISCO: We'll proceed back to the public list.

Michael Brown. Is Michael Brown here?

MICHAEL V. BROWN: Hello. My name is Michael Brown. I live in Milford, Connecticut. And I realized the bills in question, 194 specifically, have to do with individual insurance more than business, but I'd like the committee to consider small business as well, very small business, in particular.

I have a five-person company. We have been in business in Connecticut for 20 years. We are currently insured through Anthem Blue Cross/Blue Shield Personal Savings Account Program. And we have had previous contracts with WellCare and Golden Rule and various iterations of Anthem's -- Anthem plans.

Last year we changed programs from a somewhat standard health care program with a very low deductible and copays, and instead went with a PSA with a \$3,000 deductible for our employees. Thus far, we've been able to pay the deductible for our employees. I don't know how long that will last.

Representative Fleischmann.

REP. FLEISCHMANN: Chairman Crisco, Chairman Fontana, members of the committee, thank you very much for holding this public hearing and for drafting such good proconsumer legislation to be considered today.

There are three bills on your agenda that I think are all excellent: Senate Bill 194, House Bill 5219, and House Bill 5235. That last measure is one that you drafted at my request, so I thank you for that. And I'd like to comment on it and offer some specifics regarding ways that I think we can take what is really a good bill and make it even stronger.

The bill, AN ACT CONCERNING EVIDENCE OF NONCOVERAGE OF HEALTH INSURANCE, comes out of a personal experience. I, as a state employee had a choice of an array of plans. And like many people, I was good enough to marry someone who is smarter than I was, who explained to me that they plan that we had to have was the point of service plan, the best plan that was available that had the broadest coverage. And that's what I've had ever since I got married.

I got a surprise diagnosis last fall, and was told that the best place for me to go was Sloan-Kettering in New York City where there were specialists who were the tops in the world. So I just called up the number on the back of my insurance card to double-check that I would be covered. And I was told that it was out-of-network, I wasn't covered.

So I had my doctor's office check. And they said oh, sorry, it appears it's out-of-network and you're not covered. Sloan-Kettering checked; same answer.

focused on consumers.

And last but not least, I would urge you to consider giving the Office of Healthcare Advocate the power to do something about denials. So specifically, let the healthcare advocate investigate if they see a pattern of watching denials coming from a single company. Let -- give them the power to find that there's been an unfair trade or insurance practice, and take appropriate remedies.

Only in that way can we assure that this stops happening. If there's absolutely no downside to denials for coverage that ought to be there, there's no reason that any rational corporate actor should change their behavior. So I'm just talking about making sure that we have the right incentive structure, so that everybody does what they ought to do.

I'm -- I'm not questioning anyone's motives. I'm just saying we don't have the right incentives right now. There's absolutely no cost to a company that is issuing denials that are inappropriate.

So thank you for raising that bill, for listening to my testimony. And thank you, too, for Senate Bill 194, which I think is great. I would encourage you to consider defining medical expenses, so that there could be no gaming of ratios there.

And House Bill 5219, continuation of health insurance coverage. It's a great bill. In this economy a lot of people need those additional months.

So thank you for all you're doing on all those bills. And I'd be happy to answer any

am really grateful that this team is working so diligently on this problem. I really didn't know where to go. I did join the Tolland Chamber of Commerce in order to get coverage, but you have to have two or more members and I'm a one member team. So I am looking into it and I will contact him again. Thank you.

SENATOR CRISCO: And, you know, since we've been in here all day, we're not sure what happened in Washington today. But I think if Congress does anything, they have to do something on pre-existing conditions, which is a very important part of health care reform. But -- so keep that in mind. It's easy to say, keep the faith, because we're not in your situation. But we're -- we're working at it.

Chairman Fontana.

REP. FONTANA: Just thank you for testifying and thank you for introducing us to your brother.

ROBYN B. SURDEL: Thanks.

SENATOR CRISCO: Any other questions of Robyn?

Thank you for hanging in there.

Now, we'll go back to the public sector.
Vicki Veltri.

VICKI VELTRI: I don't know what it is, afternoon or evening. Good afternoon, everyone.

I'm here today -- I'm not going to talk about 194 obviously, because Kevin Lembo did that already. But I'm here to testify in favor of H.B. 5235, AN ACT CONCERNING EVIDENCE OF NONCOVERAGE OF HEALTH INSURANCE.

HB5219

COMMITTEE

to legal issues. So we would love -- and think it's a great way to get outreach to the consumers, for our names to be on the bottom of a denial letter.

And while I'm here, can I just also say that we support 5219, the extension of the mini COBRA. I think it's a great idea. And as you know, a lot of people are unemployed, without their jobs, and this is the only access they have to quality health insurance. So that's all for my testimony today.

SENATOR CRISCO: Thank you, Vicki.

Any questions of Vicki? No.

Thank you so much for staying with us.

Continue back to the public list. Is Karen still with us? Thank you, Karen. We're all slowly aging through this process.

KAREN SCHUESSLER: There we go. My name is Karen Schuessler and I'm the director of Citizens for Economic Opportunity. CEO is a coalition of community and labor groups addressing health care reform and corporate responsibility.

I strongly support S.B. 194 and believe it is critical to establish procedures for a public hearing prior to any rate approval for individual health insurance policies and to authorize more oversight by the healthcare advocate and/or the Attorney General.

Health insurance is supposed to protect us when we are sick. But people in the individual market are particularly vulnerable as they face skyrocketing costs and shrinking benefits. A recent study by the Commonwealth Fund, a

FTR
194

**Testimony of
Mark Waxenberg, Director Government Relations
Connecticut Education Association**

Before the

Insurance and Real Estate Committee

February 25, 2010

**Connecticut Education
Association**

Governance
Philip Apruzzese, President
Sheila Cohen, Vice President
Cheryl Prevost, Secretary
Jeff Lesko, Treasurer
Maureen Horan, NEA Director
Tom Nicholas, NEA Director

Executive Office
Dr. John Yrdek
Executive Director

Government Relations
Mark Waxenberg, Director
Capital Plaza, Suite 500
21 Oak Street
Hartford, CT 06106-8001
860-525-5641, 800-842-0316
Fax: 860-725-4362
www.cca.org

Affiliated with the
National Education
Association

Good afternoon Senator Crisco, Representative Fontana and members of the Insurance and Real Estate Committee. My name is Mark Waxenberg, Director of Government Relations of the Connecticut Education Association, representing over 40,000 members.

I am here to speak in favor and comment on Senate Bill #194 'An Act Concerning Rate Approvals for Individual Health Insurance Policies', Senate Bill #5235 'An Act Concerning Evidence of Non-Coverage of Health Insurance', and House Bill #5219 'An Act Extending State Continuation of Health Insurance Coverage'.

I am not appearing before you as a healthcare expert, actuary or broker. I am here as a consumer and a resident of Connecticut representing over 40,000 consumers and residents of Connecticut asking for more transparency and accountability within the healthcare industry.

Everyone agrees that healthcare reform is needed, but we disagree with what reform is needed. We should all be able to agree, that as we work toward consensus on healthcare reform, we can inject more transparency and accountability into the present healthcare system.

As premiums increase at double digit rates, as more citizens lose health insurance coverage, and as more citizens have claims denied by insurance companies, it is now time to take a deep breath and examine the cost drivers and reasons for decisions being made by health insurance companies.

The proposed legislation just lets the citizens of our state know what they are paying for and/or why they are being denied claims.

As decisions are made by health insurance companies and/or state officials dealing with increased costs or reducing coverage of healthcare for its citizens, it should not be difficult for them to address the question "why".

In conclusion, I would ask that the Insurance and Real Estate Committee vote in favor of Senate Bill #194, Senate Bill #5235 and House Bill #5219.

Thank You.

Bridgeport Child Advocacy Coalition Testimony to
Insurance and Real Estate Committee

000981
199
FTR

The Bridgeport Child Advocacy Coalition (BCAC) appreciates the opportunity to submit testimony to the Insurance and Real Estate Committee of the 2010 General Assembly.

BCAC strongly urges support for:

S.B. 94: An Act Concerning Rate Approvals for Individual Health Insurance Policies.

Health insurance premiums are skyrocketing out of control. Our own nonprofit organization suffered a rate increase of 35%. More and more Connecticut residents cannot afford the rising cost of health insurance premiums and are dropping coverage. Those without health insurance are likely to delay going to the doctor or filling a prescription until they are in crisis and end up in the emergency room, at a much greater cost.

SB 94 will ensure that public hearings are held to allow for the public to comment on proposed health insurance rate increases. Specifically, S.B. 94 will:

- Eliminate the health insurance companies' ability to allow rate hikes to take effect without a public hearing.
- Require insurance companies to notify all policyholders of requests for rate increases, and the date, place, and time of the public hearing:
- Require insurers to disclose documentation in support of rate increases for public scrutiny.
- Limit reasons for a rate increase, and puts burden of proving that an increase is "reasonable" on the insurer.
- Empower the Attorney General and the state Healthcare Advocate to intervene in rate cases and appeal rate decisions to the Superior Court.

H.B. 5235: An Act Concerning Evidence of Non-Coverage of Health Insurance

Despite having health insurance, claims are denied, often with no reason cited. Too many consumers whose claims are denied are not aware of their legal recourse. They end up having to cover the denied claim at great cost even when the claim might have been denied in error.

Specifically, H.B. 5235 will:

- Require insurance companies to notify consumers in writing that a claim has been denied, include the relevant provision of the insurance policy, and instruct the consumer to contact the Office of the Healthcare Advocate for assistance with an appeal.

H.B. 5219 An Act Extending State Continuation of Health Insurance Coverage

The unemployment rate keeps rising. In December, the unemployment rate in Bridgeport was 12.7%. Many of those who lose their jobs also lose their health insurance benefits. Extending COBRA would enable the unemployed to have continuity of health benefit coverage while they are looking for work.

Bridgeport Child Advocacy Coalition Testimony to
Insurance and Real Estate Committee

Specifically, H.B. 5219 will:

- Extend COBRA coverage from 18 months to 30 months, so that laid off employees can keep their coverage for a longer period, at the lower group rate, as they look for new jobs.

Thank you for the opportunity to submit our testimony.

Barbara Edinberg, Assistant Director
Bridgeport Child Advocacy Coalition
2470 Fairfield Avenue, Bridgeport, CT 06605
(203) 549-0075
bedinberg@bcacct.org

The Bridgeport Child Advocacy Coalition (BCAC) is a non-profit coalition of 80 member organizations funded in 1985. Our members represent a broad range of agencies including community centers, counseling organizations, early childhood programs, health centers, hospitals, churches and synagogues, and parent and civic organizations.

194

5219

5235

FTR



**Testimony of AARP,
on S.B. 194, H.B. 5219, & S.B. 5235
Insurance and Real Estate Committee
February 25, 2010**

AARP is a nonprofit, non-partisan membership organization that serves people 50 and older. We have approximately 40 million members nationwide and over 600,000 in Connecticut. AARP is proud to support the health care reform proposals contained in S.B. 194, H.B. 5219, and H.B. 5235. We commend Chairmen Fontana and Crisco both for taking a strong leadership role in bringing crucial health insurance reform proposals before the Committee.

Private insurance options under the current health care system are deteriorating. Comprehensive health reform, if enacted, is likely to address many of the shortcomings of the current system for high-cost populations and AARP continues to work at the federal level to advocate for health insurance reforms that will protect guaranteed Medicare benefits, restrict "age-rating" for our members age 50-64, close the Medicare Part D "doughnut" hole and end abusive insurance practices. However, in the absence of such reforms, there continues to be a compelling and immediate public interest in increasing access to coverage and AARP commends the leadership of this Committee for continuing to move forward on state-based health care reform.

S. B. 194, AAC Rate Approvals for Individual Health Insurance Policies

AARP supports S.B. 194, which will provide better oversight for insurance rate requests. The bill establishes procedure for conducting a hearing prior to any rate approval for individual health insurance policies. S.B. 194 also allows the Attorney General and the Health Care Advocate to be parties in that proceeding. Additionally, the proposed legislation changes the standard by which health insurance premium increases will be measured. Under current law, the Insurance Commissioner may approve any rate increase that is "not excessive, inadequate or unfairly discriminatory." However, S.B. 194 would require the Commissioner to approve a rate increase only if "reasonable," as defined in section 2 of the bill. The "reasonable" standard should provide the Commissioner additional flexibility to reject or reduce a requested rate increase.

Just last summer, Anthem requested a 32% increase on individual policies in Connecticut. The proposal would have increased health insurance costs on approximately 56,000 Connecticut residents. Even under intense public pressure, the Insurance Department ultimately approved a significant 16-20% rate hike. Costly, unexpected rate hikes like these are especially problematic for older adults aged 50-64, who already struggle to find affordable health insurance.

Today, many Americans age 50-64 cannot find affordable coverage because insurers in most states, including Connecticut, charge much higher rates based on age. That is a key reason why 10.4% (or 70,405) Connecticut residents age 50-64 were uninsured in 2007 – a figure that is growing rapidly in our current difficult economy. Even those with insurance often struggle with high premiums and cost sharing obligations that can make health care unaffordable. Without strong procedures and consumer protections, the insurance industry can impose sudden and drastic increases for individual insurance policies, making them unaffordable to many more, older adults. AARP urges the Committee's support of S.B. 194.

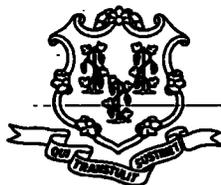
H. B. 5219,AA Extending State Continuation of Health Insurance Coverage

AARP also supports H.B. 5219; expanding COBRA coverage from 18 months to 30 months, as outlined in H.B. 5219, would extend periods of eligibility and would help provide affordable coverage to adults aged 50 to 64, or "prime age" adults, who have lost their jobs. The high unemployment rate and deteriorating job market has left many individuals without employer-based health care coverage. For older adults between the ages of 50 to 64, losing health care coverage is particularly devastating because insurance companies, in states like Connecticut, are allowed to charge older individuals several times more for the same insurance policy purchased by younger individuals. Although not yet eligible for Medicare coverage, prime age adults have reached a time when many chronic diseases, which require regular medical attention and can lead to catastrophic spending, begin to develop.

H.B. 5219 could reduce the premium costs for older individuals not yet qualified for Medicare because they would be pooled with lower-risk employees and have more affordable health care coverage than is otherwise available with an "age-rated" individual health insurance policy. Of course, this approach would be limited to the recently unemployed with prior employer-based insurance—a relatively small portion of the high-risk population—but for those individuals, especially those between the ages of 50 to 64, the COBRA extension could provide an affordable alternative to the individual health insurance market. AARP supports H.B. 5219 as an immediate step Connecticut can take to defray health insurance costs, particularly for older adults.

H. B. 5235 AAC Evidence of Noncoverage of Health Insurance

AARP supports H.B. 5235, which requires insurance companies to promptly notify customers in writing when a claim is denied based on the fact that the requested services is not a covered benefit under the individual's health care policy. The notice required by H.B. 5235 would include the relevant provisions of the insurance policy and inform consumers of their right to contact the Office of the Health Care Advocate for help appealing the denial of coverage. H.B. 5235 is modeled after a California law that requires insurance companies to notify consumers in writing that a claim has been denied and to instruct consumers about their rights to an appeal. AARP believes that H.B. 5235 would provide consumers with important information about their rights to an appeal and empower them to make informed choices about their health care coverage. We support the legislation and urge its support.



State of Connecticut

OFFICE OF THE SPEAKER
LEGISLATIVE OFFICE BUILDING, ROOM 4100
HARTFORD, CONNECTICUT 06106-1591

194
5235
5219

Page 10
Line 10

SPOKE on All 3

Testimony of Speaker of the House Christopher G. Donovan
To the Insurance and Real Estate Committee
in support of:

Senate Bill 194, AAC Rate Approvals for Individual Health Insurance Policies,
House Bill 5235, AAC Evidence of Noncoverage of Health Insurance, and
House Bill 5219, AA Extending State Continuation of Health Insurance Coverage
February 25, 2010

Good afternoon Representative Fontana, Senator Crisco, and members of the Insurance and Real Estate Committee.

I appreciate the opportunity to express my strong support for Senate Bill 194, *An Act Concerning Rate Approvals for Individual Health Insurance Policies*, a proposal which empowers consumers and holds insurance companies accountable for premium rate hikes. As you will recall, last summer Anthem Health Plans proposed a 32% rate increase on its individual health insurance policyholders. The proposed increase affected 56,000 Connecticut residents—many of whom are self-employed, work for small businesses that can't access affordable coverage, or are already suffering from unemployment.

In the past, insurance company requests for premium increases have gone into effect after 30 days. Currently there is no requirement for a public hearing or affirmative approval of these requests by the Insurance Department. When Anthem's most recent request sparked public outcry, the Insurance Department held a public hearing and heard from consumers, legislators, the state Healthcare Advocate, and the Attorney General.

Still, the Department approved a rate hike of up to 20% for 2010—costing residents thousands of additional dollars in insurance premiums. In addition, in December the non-partisan Office of Legislative Research released a report documenting the frequency of insurance company rate requests and Insurance Department rate approvals on individual policies in the last several years. Each of the eleven most recent rate increase requests on individual policies have been approved by the Insurance Department. Eight of these proposals have been in the double-digits and nine of the requests have been approved as filed, leading many consumers and state officials to question the level of scrutiny applied by the Department in examining whether the rates are "excessive" or "unfairly discriminatory" as is required by statute.

Shocking double-digit increases have been proposed in at least a dozen states in the past year, even as insurance companies report record-breaking profits. Several of these increases were highlighted by a report released last week by the U.S. Department of Health and Human Services entitled, *Insurance*

Companies Prosper, Families Suffer: Our Broken Health Insurance System. If we do not take action to rein in health insurance companies, provide more affordable options, and protect consumers from abusive insurance company practices, families and businesses will continue to be crushed by rising health care costs. Keeping health care costs affordable will save Connecticut jobs.

As we discuss important health insurance reform proposals in Connecticut today, President Obama is convening a bipartisan summit in Washington to facilitate an open discussion on how to make our health care system work better for all Americans. I was pleased to see that the new proposal released by the White House this week included a provision establishing a Health Insurance Rate Authority to bolster state rate review efforts and monitor insurance market behavior. SB 194 offers Connecticut the opportunity to be a leader in the fight against anti-consumer and anti-small business tactics of the insurance companies.

Specifically, this legislation:

- Eliminates the Insurance Department's ability to allow rate hikes to take effect without a public hearing.
- Requires insurance companies to notify all policyholders of requests for rate increases, and the date, place, and time of the public hearing.
- Requires insurers to disclose documentation in support of rate increases for public scrutiny.
- Limits reasons for a rate increase, and the puts burden of proving that an increase is "reasonable" on the insurer.
- Empowers the Attorney General and the state Healthcare Advocate to intervene in rate cases and appeal rate decisions to the Superior Court.

I would also like to take this opportunity to express my strong support of two other measures being heard in this committee today, ***House Bill 5235, AAC Evidence of Noncoverage of Health Insurance,*** and ***House Bill 5219, AA Extending State Continuation of Health Insurance Coverage.***

HB 5235 requires insurance companies to notify consumers in writing that a claim has been denied, cite the relevant provision of the insurance policy, and refer the consumer to the Office of the Healthcare Advocate for assistance with an appeal. This bill addresses one of the most egregious abuses of insurers, incorrectly denying consumers the coverage they pay for with their premium dollars. This bill arose from the experience of a member of our legislative community, but consumers across our state are victimized by similar unfair practices. This proposal will give consumers the tools they need to fight inappropriate denials of coverage and get the health care they deserve.

At a time when so many Connecticut families are experiencing job loss, ***HB 5219*** will provide them with the option of continuing their employer sponsored health coverage under COBRA for a total of 30 months after they are laid off. Under federal COBRA law, former employees who choose to temporarily stay on their employer's group policy pay 100% of the premium cost and may stay on the policy for up to 18 months. (Recent federal legislation assists laid off employees by subsidizing 65% of their premiums for up to 15 months.) ***HB 5219***, would simply allow Connecticut residents to retain their COBRA benefits for an additional 12 months, without a subsidy. This will allow them to take advantage of group insurance rates, while they look for employment and replacement health coverage.

I would like to commend the Insurance Committee for pursuing these and other pieces of legislation that will protect consumers and promote transparency and accountability in the health insurance market.

I urge your support for these important proposals.



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

Page 12
 Line 20

REPRESENTATIVE MARGARET REEVES
 ONE HUNDRED FORTY-THIRD ASSEMBLY DISTRICT

LEGISLATIVE OFFICE BUILDING
 ROOM 4020
 HARTFORD, CT 06106-1591
 HOME: (203) 762-7351
 CAPITOL: (860) 240-8788
 TOLL FREE: (800) 842-8287
 FAX: (860) 240-0206
 E-MAIL: Peggy.Reeves@cga.ct.gov

MEMBER
 GOVERNMENT ADMINISTRATION AND ELECTIONS
 COMMITTEE
 JUDICIARY COMMITTEE
 TRANSPORTATION COMMITTEE

February 25, 2010

Insurance & Real Estate Committee
 Testimony for SB 194

An Act Concerning Rate Approvals for Individual Health Insurance Policies

Testimony for HB-5219

An Act Extending State Continuation of Health Insurance Coverage

Rep. P. Reeves
 for Courtney
 Carney

To the Distinguished Co-Chairs, Ranking Members and Members:

Thank you for allowing me to speak to the merits of these proposed bills.

With the growing numbers of Connecticut residents who are underemployed, holding down part-time jobs which provide no health care benefits and the increasing numbers of unemployed Connecticut residents, the lack of affordable health care continues to be a huge problem for our state. I would like to speak to two proposed bills: SB 194 An Act Concerning Rate Approvals for Individual Health Insurance Policies and HB-5219 An Act Extending State Continuation of Health Insurance Coverage

With your permission I would like to summarize two powerful testimonies from my constituents, Paul Simeone and Courtney Carney. These written testimonies should be in your packet of material.

As you know COBRA gives former employees the right to continue health insurance at group rates. Premiums under COBRA tend to be more expensive than coverage for active employees, because the employer generally pays a part of the premium, while COBRA participants generally pay the entire premium themselves. Nevertheless, it is less expensive than individual health coverage. In addition, The American Recovery and Reinvestment Act of 2009 (ARRA), has provided premium reductions for health benefits by covering 65% of the cost, but that is scheduled to end this month.

I am also appearing on behalf of a small business owner in my district. Because of the recession, many small businesses have had to downsize and terminate the employment of valued staff. One of my constituents was so concerned about the welfare of his former employees when their COBRA coverage ends that he asked us to look into the possibility of extending COBRA coverage from 18 months per event to 30 months per event. Doing so would account for the longer-than-average stretches of time that residents have been encountering – and may continue to encounter - before reemployment. I hope we could take a look at this proposed legislation as a means of helping the unemployed without risking further financial hardship.

Thank you for your consideration.

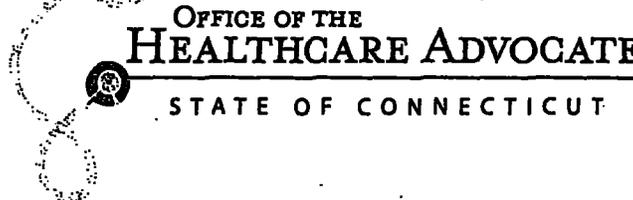
Sincerely,

Peggy Reeves

**JOINT
STANDING
COMMITTEE
HEARINGS**

**INSURANCE AND
REAL ESTATE
PART 4
1002 – 1329**

2010



OFFICE OF THE
HEALTHCARE ADVOCATE
STATE OF CONNECTICUT

Vicki
Veltre

5235

5219

Testimony of Kevin P. Lembo
Healthcare Advocate

Page 20
Line 17

Before the Insurance and Real Estate Committee
In support of HB 5235 and HB 5219
February 25, 2010

Good afternoon, Representative Fontana, Senator Crisco, Senator Caligiuri, Representative D'Amelio, and members of the Insurance and Real Estate Committee. For the record, I am Kevin Lembo, the State Healthcare Advocate. The Office of the Healthcare Advocate (OHA) is an independent state agency with a three-fold mission: assuring managed care consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health insurance plans; and, informing you of problems consumers are facing in accessing care and proposing solutions to those problems.

I am here today to testify in favor of HB 5235, An Act Concerning Evidence of Noncoverage of Health Insurance. Specifically, this bill requires insurance companies to notify consumers in writing that a request for services has been denied; provide them with a denial notice that includes the relevant portion of the insurance policy on which the insurer based its denial; and, provide as part of the denial notice the name and contact information for the Office of the Healthcare Advocate for assistance with an appeal. The current text of this bill is limited to the denials of services on the basis that the services weren't specifically part of the contract. After discussion with the bill's sponsor, we strongly recommend including all denial notices in the scope of this bill, including those based on medical necessity.

OHA is the only state agency dedicated solely to consumer assistance with health insurance denials. Our office was established with the specific responsibility to walk with consumers through the process, and participate in appeals on their behalf. In 2009, OHA served over 2,600 consumers and realized savings of \$6.7 million. This work was accomplished by 3 full-time, case work staff. In that same year, the state Insurance Department, with 5 full-time staff dedicated to health care casework reported 3,000 health cases, and \$1.3 million in health care savings.

Vicki Veltre

No other agency does what we do, and no other agency can do what we do free from competing responsibilities. Listing both OHA and Insurance Department in the notices created by HB 5235 creates confusion for consumers, disparate outcomes for consumers, and potential redundancy. Since OHA is the office designed to handle such health insurance cases from beginning to end, including OHA on the denial notices will ensure the consumer receives the level of assistance contemplated by HB 5235.

OHA also supports HB 5219. HB 5219 extends the length of coverage under our mini-COBRA fill from eighteen to thirty months. The extension of our mini-COBRA will allow employees who have been laid off to keep their coverage for a longer period while searching for new employment. Under this bill Connecticut's mini-COBRA will allow people who are otherwise ineligible to receive federal COBRA or whose federal COBRA has terminated to maintain group coverage at a group rate for a longer period, thirty months, than previously permitted. In Connecticut, where jobs recovery is lagging far behind that of the rest of the country, the mini-COBRA extension will prevent most laid-off employees from losing their insurance coverage. Failure to pass HB 5219 will result in many laid off employees losing their group insurance and, at best, finding themselves in the individual market or, at worst, uninsurable.

Thank you for allowing me to testify today in support of HB 5235, with suggested changes, and HB 5219.

S - 600

**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2010**

**VOL. 53
PART 3
618 - 932**

cd
SENATE

23
April 21, 2010

Thank you, Mr. President.

Calendar 297, House Bill Number 5219, Mr.

President, move to place this item on the consent
calendar.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President.

Calendar 298 is marked go; Calendar 299, PR.

Calendar page 19, Calendar 300, marked go;

Calendar 301, House Bill Number 5263, Mr. President,
move to place this item on the consent calendar.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President.

Calendar 302, House Bill Number 5292, move to
place this item on consent calendar.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President.

Calendar 303, House Bill Number 5265, move to
place this item on the consent calendar.

S - 601

**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2010**

**VOL. 53
PART 4
933 - 1266**

cd
SENATE

217
April 21, 2010

Calendar page 9, Calendar 117, Senate Bill 232.

Calendar page 10, Calendar 119, substitute for
Senate Bill 261; Calendar 124, substitute for Senate
Bill 251.

Calendar page 11, Calendar 149, Senate Bill 244.

Calendar page 12, Calendar 161, substitute for
Senate Bill 258.

Calendar page 13, Calendar 180, substitute for
Senate Bill 152.

Calendar page 14, Calendar 216, substitute for
Senate Bill 256; Calendar 217, substitute for Senate
Bill 201; Calendar 222, substitute for Senate Bill
275.

Calendar page 15, Calendar Number 233, Senate
Bill Number 97.

Calendar Number -- page 16, Calendar 239, Senate
Bill 105.

Calendar page 17, Calendar 270, substitute for
Senate Bill 234.

Calendar page 18, Calendar 296, substitute for
House Bill 5138; Calendar 297, substitute for House
Bill 5219; Calendar 298, House Bill 5250.

Calendar page 19, Calendar 301, House Bill 5263;
Calendar 302, House Bill 5292; Calendar 303, House

cd
SENATE

218
April 21, 2010

Bill 5265; Calendar 313, substitute for House Bill
5002.

Calendar page 20, Calendar 314, House Bill 5201.

Calendar page 24, Calendar 340, substitute for
Senate Bill 175.

Calendar page 25, Calendar 346, substitute for
Senate Bill 151; Calendar 350, Senate Bill 333;
Calendar 371, substitute for House Bill 5014.

Calendar page 26, Calendar 375, House Bill 5320.

Calendar page 27, Calendar 379, substitute for
House Bill 5278; Calendar 380, substitute for House
Bill 5452; Calendar 381, substitute for House Bill
5006; Calendar 382, House Bill 5157.

Calendar page 28, Calendar 384, substitute for
House Bill 5204.

Calendar page 29, Calendar 395, substitute for
Senate Bill 127; Calendar 396, Senate Bill 147.

Calendar page 30, Calendar 413, House Bill 5024;
Calendar 414, substitute for House Bill 5401.

Calendar page 31, Calendar 419, substitute for
House Bill 5303.

Calendar 32 -- page 32, Calendar Number 421,
substitute for House Bill 5388; and on calendar page
34, Calendar 46, substitute for Senate Bill 68;

cd
SENATE

219
April 21, 2010

Calendar 50, substitute for Senate Bill 17.

Calendar page 35, Calendar 64, substitute for
Senate Bill 187.

Calendar page 37, Calendar 109, substitute for
Senate Bill 189.

Calendar page 39, Calendar Number 148, substitute
for Senate Bill 226.

Calendar page 40, Calendar 182, substitute for
Senate Bill 218.

Calendar page 41, Calendar 188, substitute for
Senate Bill 200.

Mr. President, that completes those items placed
on the consent calendar.

THE CHAIR:

All right. If the Clerk has made an announcement
that a roll call vote is in progress in the Senate on
the first consent calendar, the machine will be open.
Senators may cast their vote.

THE CLERK:

The Senate is now voting by roll call on the
consent calendar. Will all Senators please return to
the chamber. The Senate is now voting by roll call on
the consent calendar. Will all Senators please return
to the chamber.

cd
SENATE

220
April 21, 2010

THE CHAIR:

Would all Senators please check the roll call board to make certain that your vote is properly recorded. If all Senators have voted and if all votes are properly recorded, the machine will be locked, and the Clerk may take a tally.

THE CLERK:

Motion is on adoption of Consent Calendar Number 1.

Total Number Voting	35
Those voting Yea	35
Those voting Nay	0
Those absent and not voting	1

THE CHAIR:

Consent Calendar Number 1 is passed.

Are there any announcements or points of personal privilege? Are there any announcements or points of personal privilege?

Senator LeBeau.

SENATOR LEBEAU:

Thank you, Mr. President, for a -- for an announcement.

THE CHAIR:

Please proceed.