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Commissioner Andrew Mais
Connecticut Department of Insurance
153 Market St, Hartford, CT 06103

Dear Commissioner Mais,

Thank you for the opportunity to submit testimony on this year's proposed rate increases.

As the administrator of Connecticut's largest employer-sponsored health plan and as someone who has dedicated my time in public office to trying to make health care more affordable, I urge the Department to consider the impact these proposed increases will have on the people of Connecticut.

Global and national economic conditions in recent years have created an affordability crisis for families in our state. While those conditions show signs of improvement, the rising cost of food, consumer goods and housing are still being felt which makes these rate increases difficult to absorb on already tight budgets.

As a state, we must do better. In 2022, when I was a member of the legislature, we passed into law a health care cost growth benchmark. The purpose of this benchmark was to hold the entire health care system—hospitals, insurers, providers, and drug companies—accountable for containing health care cost growth to a level state residents can afford, one more in line with income growth. This year, the proposed rate increases are 3 to 6 times greater than the state's health care growth benchmark, despite following rate proposals for 2022 that were even higher. The insurance rate review process should be able to do more to hold insurers accountable for rate increases that surpass the health care cost growth benchmark, and all parts of the system need to do more to make sure staying within those affordability limits is possible.

Other states have taken steps to stop the trend of repeated double-digit rate increases. In Rhode Island, for example, their Office of Health Insurance has the authority to take affordability into account when approving proposed insurance rate increases and can even void hospital contracts with rate increases that result in in unaffordable rate increases for consumers. Colorado recently took similar steps; its Department of Insurance sets a maximum rate increase target, and if insurers fail to meet the target, the office has authority to directly set reimbursement rates and reduce insurer overhead. In most cases, the additional regulatory authority in these states has resulted in reduced annual rate increases primarily by putting pressure on the private market negotiations between providers and insurers that results in proposed rate increases that fall within allowable targets.

Until such reform is implemented here, I am urging the Department to thoroughly review these rate proposals and approve the bare minimum to meet the insurer's solvency needs.

We've made great strides to lower Connecticut's uninsured rate but, as rate increases increase, I worry we will put more residents at risk of losing access to affordable coverage and erase the progress we've made. And that, to me, is something we just cannot accept as a state. We must do better.

Best,

Sean Scanlon
State Comptroller