



State of Connecticut

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MEMBER
COMMERCE COMMITTEE
ENERGY AND TECHNOLOGY COMMITTEE

August 21, 2023 * 9:00am * LOB 1D

RE: Connecticut Insurance Department public informational hearing – 2024 health insurance rate request filings

Dear Connecticut Insurance Department:

I am State Representative Holly Cheeseman, representing the 37th district, and I want to thank you for convening this hearing to hear comments and testimony relating to proposed health insurance rate increases for policies in the individual and small group markets.

Connecticut residents and businesses, who are already grappling with inflation, were yet again alarmed when they learned of proposed rate hikes for health insurance, whether purchased on and off the Connecticut's Affordable Care Act exchange. I shared their dismay, as, year after year, the price of health insurance becomes even more unaffordable.

According to the Connecticut Insurance Department, the rates proposed are as follows:

- The proposed average individual rate request is a 12.4 percent increase, compared to 20.4 percent in 2023 and ranges from 9.8 percent to 17.5 percent.
- The proposed average small group rate request is a 14.8 percent increase, compared to 14.8 percent in 2023 and ranges from 7.5 percent to 23.0 percent.

In addition, carriers have attributed the proposed increases to:

- **Trend:** Trend is a factor that accounts for rising health care costs, including the cost of prescription drugs and the increased demand for medical services.
- **Experience:** Experience adjustment necessary to reflect deteriorating claim experience from the prior rating period to the current rating period.
- **Legislation:** The impact of bills passed, such as Public Act 22-90 and 22-47.
- **Medicaid Unwinding:** The impact to the current commercial market due to Medicaid unwinding.

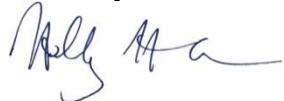
I am sure the providers are telling us what they believe the cause of the increase is. However, the explanations behind the increase in the cost of health insurance is a blame game, insurance companies blame hospital chains and government mandates. Hospital chains blame insurance companies and drug

providers. Drug providers blame pharmacy benefit managers. The people who get caught in the crossfire are the people who are paying for the premiums. If you are not fortunate enough to be either covered by the government with Medicaid or Medicare or have generous employer coverage, you are paying a fortune for health care, and indeed if you're a small business employer, you're seeing your costs go through the roof.

We need to hold all parties accountable, health insurance companies, hospital groups, pharmaceutical companies, pharmacy benefit managers, and government for implementing policies and mandates that do little to improve care or outcomes and simply make health care unaffordable.

Thank you for the opportunity to present my testimony today and I look forward to working with all parties to bring better and more affordable health care to all the residents of Connecticut.

Sincerely,



Holly Cheeseman
*State Representative, 37th District
East Lyme, Montville, and Salem*