



**TESTIMONY BEFORE THE
HEALTH CARE CABINET
LEGISLATIVE OFFICE BUILDING
November 15, 2016**

My name is Jennifer Herz and I am Assistant Counsel for the Connecticut Business & Industry Association (CBIA). CBIA has been representing Connecticut's employers for 200 years and today is proud to say the vast majority of our members are small companies employing less than 50 people.

Connecticut's employers are very concerned with the cost and quality of healthcare. In a 2015 survey, CBIA's members, once again, listed healthcare costs in their top 3 greatest concerns. Connecticut's employers contribute to their employees' premiums and rising premiums make it more and more difficult for employers to help pay for their employees healthcare. Equally important, employers value the bottom line contribution of healthy employees because that means a productive, innovative workforce.

CBIA appreciates the Health Care Cabinet's focus on the rising cost of healthcare and its recent recommendations to contain rising costs.

CBIA has served as a partner in other state efforts to help control the rising cost of healthcare as well as increase quality including supporting aspects of the State Innovation Model and the Department of Public Health's State Health Improvement Plan.

Here are our comments on the revised Cabinet Recommendations dated November 2, 2016 and the Cost Growth Strategy update.

1C. Create Community Health Teams to Address Complex Health Care Needs

CBIA appreciates the role of community health teams and the important function they can hold for providers and their patients. This recommendation deserves further investigation. As this strategy is pursued I urge careful consideration regarding implementation.

It is my understanding that such teams are already in place in certain areas in Connecticut. For example, I think we have all seen the benefit of the community team at work at Middlesex Hospital – [see article here](#). The Recommendation lists the estimated cost at \$500,000 per team but does not list how many teams are expected in Connecticut. The Recommendations also suggest the cost is paid for by the legislature or insurer payments. If the cost is passed on through insurer payments then it will be ultimately passed along to employers and their employees in the form of higher premiums or cost sharing which may negate the very purpose. This strategy may be a cost effective service but further research is required to avoid duplication of existing efforts and to ensure the cost/benefit is taken into account.

2A&B. Directly Reduce Cost Growth

CBIA appreciates the direction of the revised cost growth target strategy. This strategy deserves further discussion to determine how it will impact Connecticut. Reducing cost is a common goal and a target may be helpful to focus stakeholders on a common mission. CBIA's supports the updated recommendation to create a work group of stakeholders to help form the final recommendation.



3. Coordinate & Align State Strategies

CBIA supports efforts to better coordinate and align healthcare strategies in the state. The state has the benefit of a number of positive initiatives moving forward. For example, CBIA has been supportive of aspects of SIM as well as aspects of the State Health Improvement Model through the Department of Public Health. Some parts of these and other initiatives overlap and integration – where it makes sense – is beneficial. Further investigation is warranted to determine how to best coordinate and align strategies.

7. Incorporate Use of Evidence into State Policy Making

CBIA often asserts a cost/benefit argument to the legislature in an effort to better study new health benefit mandates and other requirements before requiring smaller employers to expand their health plans.

This recommendation requires more information before a full analysis can be provided. As drafted it seems to require a considerable commitment by state agencies in a time of limited resources. And further, if such a group would be premised on taking into account scientific evidence regarding its decision making then it's unclear what role other stakeholders would play to sway their final decision away from the evidence. More information is needed.

Additional Items:

CBIA supports Commissioner Wade's comments in her letter dated November 1, 2016 regarding innovative networks. Providing more network flexibility may provide an opportunity to impact cost. CBIA supports further discussion regarding the Commissioner's recommendations.

Additionally, I respectfully suggest other costs in the system such as health benefit mandates, the Access Health Fee (charged to all individual and small employers purchasing health insurance in the state) as well as ideas from other stakeholders are also taken into consideration. As an example during the last legislative session a single new health benefit mandate was passed that is estimated to cost the state about \$19 million over two years (there was no estimate for the private market). I urge the Cabinet to consider other cost containment strategies before finalizing the report.

CBIA appreciates the Cabinet's focus on cost containment – a significant concern for our members. In general, the concepts included in the report are at a high level so it is challenging to provide specific comments on the impact of implementation. CBIA looks forward to the opportunity to continue to be part of the conversation moving forward. A robust discussion regarding impactful cost containment is beneficial to all of us.

Thank you for the opportunity to offer CBIA's comments.