

State of Connecticut



Hartford

KATHARINE L. WADE
INSURANCE COMMISSIONER

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November 1, 2016

Dear Members of the Connecticut Health Care Cabinet,

One of the areas that needs more attention in our work on health care cost containment is how Connecticut became a high cost state. Policy choices have been made in Connecticut over the years which have placed a premium on access. For example, hospital networks that have every hospital in the state. Connecticut consumers pay a higher price for this type of access.

Under current law, there are areas that should be reviewed and promoted both on and off the exchange that could produce meaningful cost savings for consumers. These include expanded options in benefit design and network design, including value based benefit design and innovative networks. In other parts of the country beyond the states that have been studied value to consumers are being realized. For example, in Florida network innovation is demonstrating real cost savings and in Iowa, HMOs are making a comeback because consumers are seeing a value to the product.

As with all product and network design, consumers need to be fully informed while they are purchasing coverage so they understand how the plan they are selecting will work. Consumers should have the ability to choose what plan works best for them and their families and fully understand the cost of the choice. Some consumers may want a more limited network which provides access to the providers and facilities they are interested in at a lower price, while others may want access to a more robust network but at a higher price.

CMS is proposing through rulemaking to remove potential obstacles to more consumer choice by allowing more flexibility in plan design without sacrificing consumer protections. In addition, HHS is committed to working with the states on network innovation. The Insurance Department worked with all stakeholders and the General Assembly on the passage of enhanced network adequacy standards to protect consumers. The Insurance Department stands ready to work with all stakeholders on product and network innovation.

Attached is correspondence between Governor Malloy and Secretary Burwell concerning insurance affordability.

Regards,

A handwritten signature in blue ink that reads "Katie Wade". The signature is written in a cursive style.

Katie Wade
Insurance Commissioner