



Governor Ned Lamont State of Connecticut



FACT SHEET
2022 Legislative Session

HOUSE BILL 5042 GOVERNOR'S BILL *AN ACT CONCERNING HEALTH CARE COST GROWTH*

Connecticut healthcare costs are among the highest in the country and growing much faster than personal income. It is a serious problem that is only growing year after year. Governor Lamont proposes increasing price transparency and primary care spending to improve patient outcomes while bringing healthcare spending growth in line with the growth of the state's economy.

The Problem

In Connecticut, high healthcare prices increasingly compromise employers' ability to grow their business and consumers' ability to access care. Since 2000, our contributions to employer-sponsored insurance premiums have grown 2.5 times faster than personal income. Families and small businesses are unable to absorb those cost increases.

Governor Lamont's Solution

In January 2020, Governor Lamont issued Executive Order No. 5 to address healthcare cost growth, drive a better resourced primary care infrastructure that meets patient and provider needs, and help achieve equity, improve quality, and expand access across the healthcare system. This session, Governor Lamont proposes codifying that Order to permanently enhance the Office of Health Strategy's (OHS) ability to facilitate meaningful policy change and promote a more transparent, accountable, equitable, and innovative healthcare system in Connecticut.

Connecticut is one of eight states leading the way in addressing the unsustainable rate of healthcare cost growth by establishing per capita public spending growth targets, or benchmarks, for the state, payers, and provider networks. Governor Lamont's Executive Order No. 5 directed OHS to implement those cost growth benchmarks and strengthen Connecticut's primary care system by establishing a goal for increasing statewide primary care spending as a percentage of overall healthcare spending. Research demonstrates that greater relative investment in primary care leads to better patient outcomes, lower costs, and improved patient experience of care. At least four other states are also setting primary care spending targets to drive primary care. Combined, the cost growth benchmark and the primary care spending target will rebalance and strengthen the state's healthcare system to support improved primary care delivery while also encouraging slower rates of health care cost growth.

Contacts:

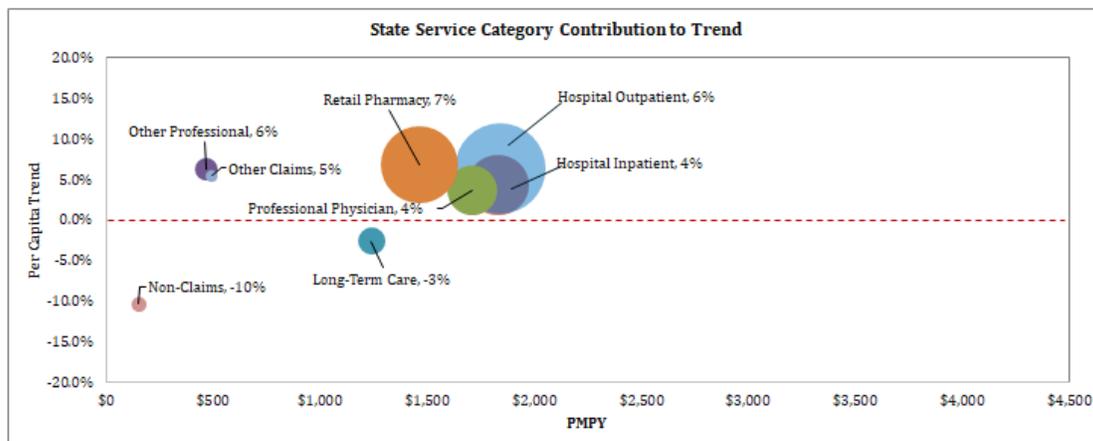
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In order to ensure the healthcare quality is maintained and improved, Connecticut became the second state in the nation to establish quality benchmarks, or annual measures and target values for payers, providers, and the state to meet.

These initiatives, supported in part as part of the Peterson-Milbank Program for Sustainable Healthcare Costs, are intended to serve as a transparency tool, shining a light on areas of spending, quality of care, and movement toward equity, so that the state, payers, employers and providers can all take action. Concrete corrective action, however, requires understanding how high healthcare spending is, how it varies across the state, and what is driving spending growth. It also requires identifying variations in quality of care and how these patterns of cost and quality affect affordability, access, disparities, and quality of care for all Connecticut residents. Since the signing of the Executive Order No. 5, OHS already has worked with experts and stakeholders to craft the benchmark and collected baseline data on Connecticut's overall healthcare spending, presenting that data in multiple [public forums](#).

Retail Pharmacy and Hospital Outpatient Drove Connecticut's State Level Spending Growth in 2019



Data are not risk-adjusted. They are reported net of pharmacy rebates.
The width of the bubbles represents contribution to trend.



Now that Connecticut has taken the first actions by executive order, this bill is necessary to ensure a sustainable benchmark initiative program, guarantee access to data necessary to drive accountability, hold entities publicly accountable for meeting set benchmarks, and identify discrete, additional policy initiatives.