



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

REPRESENTATIVE HOLLY CHEESEMAN
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RANKING MEMBER
FINANCE, REVENUE AND BONDING COMMITTEE

MEMBER
COMMERCE COMMITTEE
ENERGY AND TECHNOLOGY COMMITTEE

August 20, 2024 * 9:00am * LOB 1D

RE: Connecticut Insurance Department public informational hearing – 2025 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 an 8.3 percent increase, compared to 12.4 percent in 2024, and ranges from 7.4 percent to 12.5 percent.
- The proposed average small group rate request is an 11.9 percent increase, compared to 14.8 percent in 2024, and ranges from 5.1 percent to 13.6 percent.

In general, 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 experience from the prior rating period to the current rating period.
- **Medicaid Unwinding:** The impact to the current commercial market due to Medicaid unwinding.
- **COVID-19:** Adjustment needed to reflect COVID-19 expenses in 2025 at a higher level than previously assumed.

I am sure the providers are telling us what they believe the cause of the increase is. I am also highly skeptical of ConnectiCare's claim that COVID-19 related expenses will continue at the same level as in

2023, especially as none of the other insurers even mention this as a cost driver. That aside, the explanations behind the increase in the cost of health insurance constitute a continuing 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. Bipartisan efforts to create association health plans to benefit small employers, which would have been overseen by this Department and have the same protections for individuals as required by the Affordable Care Act, were stymied by misguided and ill-informed opposition.

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. We also need to hold accountable those who would use the politics of fear to stop initiatives that would actually make insurance more available and affordable for small businesses and their employees.

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,

A handwritten signature in blue ink, appearing to read "Holly Cheeseman".

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