Connecticut Insurance Department - 2027 Individual and Small Group Rate Hearing
Testimony of Brandon Rousseau, Director of Sales
Anthem Blue Cross and Blue Shield in Connecticut
August 26, 2026

Opening Statement

Good morning, Commissioner Hershman, members of the Department, and members of the public. My name is Brandon Rousseau, and I am Director of Sales for Anthem Blue Cross and Blue Shield in Connecticut. Joining me today is Tu Nguyen, Anthem's Lead in Actuarial Strategic Planning. Thank you for the opportunity to testify on behalf of Anthem Health Plans, Inc. in support of our 2027 individual and small group rate filings.

I want to begin by acknowledging what everyone in this room already knows: the rising cost of health insurance is not an abstract issue. It affects families balancing monthly household expenses, sole proprietors and self-employed residents who purchase coverage on their own, and small employers that want to offer meaningful benefits while managing payroll, rent, supplies, and growth. In my role, I speak with brokers, employers, and consumers across Connecticut, and I understand the concern and frustration caused by higher premiums.

At the same time, I am confident in Anthem's filings. The requested rates are necessary, actuarially supported, and driven by continuing increases in the cost of medical care, prescription drugs, utilization, and broader pressures on Connecticut's health care system. We do not seek these increases lightly. Adequate rates are essential to maintaining stable coverage, paying expected claims, preserving broad access to care, and continuing investments that help members improve their health and use care more effectively.

Anthem's perspective is also local. Anthem is a Wallingford-based company with deep Connecticut roots. We live and work here, and our relationship with Connecticut is measured in decades, not months or rate cycles. We have supported Connecticut residents for 90 years, and the State has relied on Anthem for decades to administer health benefits for the State Employee Health Plan and the Connecticut Partnership Plan. That experience reinforces how seriously we take our obligations to Connecticut families, employers, public servants, and communities.

Anthem's 2027 Connecticut Rate Requests

For the 2027 plan year, Anthem Health Plans, Inc. submitted two filings now under review by the Connecticut Insurance Department.–In the individual market, Anthem requested an average rate increase of 12.8%. This filing affects roughly 103,000 covered lives. In the small group market, covering employers with 50 or fewer workers, Anthem requested an average rate increase of 17.4%. This filing affects roughly 47,000 covered lives. Anthem is the only carrier that participates in both markets as well as on and off exchange.

Taken together, these filings represent coverage for approximately 150,000 Connecticut members in the individual and small group markets. The requested rates remain under review, and Anthem respects the Department's role in carefully evaluating whether the rates are justified under Connecticut's annual rate review process.

Supporting Access Through Covered CT

Anthem's participation on Access Health CT also supports the state's Covered CT Program. Covered CT is a state-created and state-funded program for eligible Connecticut residents ages 19 to 64 that provides health insurance coverage, dental coverage, and non-emergency medical transportation at no cost to participants. As Access Health CT explains, the State pays an eligible participant's portion of the monthly premium directly to the insurer, including Anthem, and also pays the cost-sharing amounts the participant would otherwise owe.

This is relevant to the rate proceeding because Covered CT depends on stable, viable individual market plans from which eligible residents can choose. Anthem is proud to participate in the exchange market and support a program that enables lower-income Connecticut adults who meet program requirements to obtain coverage with $0 premiums and $0 cost-sharing obligations. Adequate rates help preserve the market stability that makes this access possible.

Maintaining a Broad Connecticut Provider Network

A central part of what Anthem provides in Connecticut is a broad, durable provider network. We contract statewide with hospitals, health systems, primary care physicians, specialists, behavioral health professionals, urgent care centers, laboratories, pharmacies, and other clinicians and facilities so members can access care where they live and work. Digital tools also help members find in-network doctors and facilities, compare care options, and receive virtual care when appropriate.

Maintaining this network requires ongoing contracting, credentialing, accurate data, service infrastructure, and collaboration with providers. It also requires rates that reflect the actual cost of care delivered through the network. As hospital, physician, pharmacy, behavioral health, and ancillary costs rise, we must price our products to preserve access, honor commitments to providers and members, and support continued network stability.

This network is especially important to members with individual and small group coverage, Covered CT participants, small business employees, state employees and retirees, and municipal employers in the Partnership Plan. A stable network gives Connecticut residents more reliable access to primary and specialty care, including preventive services, behavioral health care, urgent care, chronic-condition management, and care coordination. That access is central to the filing before the Department because affordability cannot be separated from the availability of timely, high-quality care.

Premiums ultimately support the care our members receive by paying hospitals, physicians, behavioral health providers, pharmacies, laboratories, and other clinicians and facilities. When the underlying cost of care rises, premiums must reflect that reality.

Major forces driving health care costs in Connecticut include an aging population with more complex care needs; growth in chronic conditions such as obesity, diabetes, and heart disease; prescription and specialty drug costs; provider consolidation; fraud, waste, and abuse; and federal and state legislative changes that add costs to the system.

State legislative decisions also affect premiums. Anthem respects the General Assembly's goals of protecting consumers, improving access, and strengthening oversight. However, when legislation expands required covered benefits, restricts clinically appropriate utilization management tools, adds administrative compliance obligations, or authorizes reductions in filed rates without reducing the provider, drug, and utilization costs that drive claims, those policy choices limit the tools available to keep costs down and place additional upward pressure on rates.

One example affecting the requested rates is Public Act 26-33, enacted during the 2026 legislative session and effective January 1, 2027. The act mandates coverage for PANS/PANDAS treatment, including intravenous immunoglobulin therapy; chemotherapy-related scalp-cooling systems; athletic-purpose prosthetic devices; and infertility diagnosis and treatment under an expanded definition. We recognize the clinical value these services may provide. However, each mandate creates a statutory claims obligation that must be reflected in actuarially sound premiums.

PANS/PANDAS coverage is particularly consequential because it expressly includes IVIG and, among the provisions for which the Office of Fiscal Analysis quantified an incremental impact, produced the largest annual state-defrayal estimate, with scalp-cooling coverage close behind. Because federal ERISA preemption prevents these state benefit mandates from applying to self-funded employer plans, their costs are not distributed across the entire commercial insurance market. Instead, the statutory claims costs are concentrated in Connecticut's fully insured individual and group markets, where individuals and employers, particularly small employers, ultimately bear those costs through premiums. Accordingly, our requested rates reflect both underlying medical and pharmacy cost trends and the cumulative financial impact of the benefits Connecticut law now requires fully insured plans to cover.

Federal action is also having an unintended effect on our rate submission. A significant source of upward pressure on health care costs is the rapid growth of the federal Independent Dispute Resolution process established under the No Surprises Act. Although the Act has successfully protected consumers from unexpected medical bills, some out-of-network providers, particularly in high-cost, non-emergency specialties, have used the dispute process to obtain payments substantially above prevailing in-network rates.

As reflected in our supporting materials, IDR volume increased by more than 40 percent in 2025 compared with late 2024; providers prevailed in approximately 85 percent of disputes; and average awards were approximately nine times the Qualified Payment Amount, which is intended to reflect in-network market rates. Employer-funded health plans reportedly bear approximately 90 percent of these costs. These payment levels increase underlying medical claims expense and place additional upward pressure on employer costs and consumer premiums.

To address avoidable out-of-network utilization and reinforce the integrity of contracted provider networks, Anthem is implementing a facility administrative policy that took effect January 1, 2026. Under the policy, an administrative payment penalty may be applied when an in-network hospital uses an out-of-network provider for non-emergency care. Emergency services and approved, prior-authorized out-of-network care are excluded, and rural hospitals, safety-net hospitals, and critical access hospitals are currently exempt. Compliance will be evaluated through post-payment audits.

By encouraging participating hospitals to arrange non-emergency services through participating providers, the policy is intended to help ensure that members who select an in-network facility receive genuinely in-network care and to reduce unnecessary costs that would otherwise be reflected in premiums.

These underlying pressures do not disappear because premiums are difficult for consumers to afford. Anthem works to manage them every day through contracting, care management, clinical programs, product innovation, and member support. Our rate filing reflects the cost environment we must account for to keep coverage stable and reliable for Connecticut members.

Anthem's Longstanding Connecticut Partnership

Anthem's commitment to Connecticut is longstanding. As I noted earlier, we have supported the health needs of Connecticut residents for 90 years. We have also served state employees, retirees, and municipal employees participating in the Connecticut Partnership Plan for decades, and that partnership continues today.

In 2026, Comptroller Sean Scanlon announced that Connecticut would continue its partnerships with Anthem and Quantum Health to administer the State Employee Health Plan and the Partnership Plan. This state relationship is separate from the individual and small group rate filings before the Department, but it underscores Anthem's credibility as a local partner and our long-term accountability to Connecticut residents.

Anthem's Commitment to Affordability and Better Care in Connecticut

Approval of these filings is not the only part of the affordability conversation. Anthem also works to address the underlying cost drivers and help members receive better care earlier, in more appropriate settings, and with greater support.

In Connecticut, 65 percent of our medical care spending supports value-based care programs that reward quality and better health outcomes rather than the volume of services delivered. We also work to improve chronic-condition management, negotiate lower prescription drug prices, offer a drug list focused on chronic-condition medications with no member cost shares, encourage preventive and wellness exams, and provide tools that help members choose high-quality, more affordable providers.

As part of our commitment to strengthening primary and preventive health care in Connecticut, we encourage members enrolled in Affordable Care Act-compliant plans to schedule annual wellness and well-woman visits with in-network providers, where these services are available without member cost sharing. We also communicate proactively with provider practices so they can anticipate appointment demand and help members obtain timely care.

These efforts help members establish and maintain relationships with primary care providers, remain current on recommended screenings and preventive services, and identify potential health concerns earlier. By promoting convenient access to routine care and coordination between members and providers, we seek to improve health outcomes, reduce barriers to essential preventive services, and build a stronger primary care foundation across Connecticut. These broader efforts to promote prevention, early intervention, and better care coordination are complemented by individualized support for members with complex health needs. Through our case management programs, we work directly with members and their families to identify gaps in care, coordinate services, and connect them with the right resources at the right time, helping prevent manageable concerns from becoming larger health challenges.

One recent experience with a Connecticut member illustrates how this support can make a meaningful difference. After the member suffered a stroke that affected his mobility, an Anthem case manager identified critical gaps during his transition home from the hospital, including a gap in his blood pressure medication regimen and uncertainty about prescription transfers following the closure of his local pharmacy.

By coordinating with pharmacists and health care providers, the case manager helped secure timely access to medications and arrange follow-up care. She also worked closely with the member's family to facilitate outpatient rehabilitation services and provide education on fall prevention and safety measures. Through this proactive outreach and coordination, the member received the support needed to continue his recovery with confidence.

For small employers and their employees, Anthem continues to offer product and navigation solutions. Our small business plans give employees access to doctors, benefits, tools, and support that simplify their health care journey. We also offer a digital-first approach, virtual solutions, advanced analytics, innovative product designs, whole-person care, and transparency tools that can help employers and members make higher-value health care decisions.

For individual members and families, Anthem offers resources such as virtual care, the Sydney Health app, 24/7 NurseLine, care-choice tools, and mental health support. These resources help members find doctors, understand benefits and claims, access care, and manage their health needs more easily.

Anthem Blue Cross and Blue Shield also offers Headway, a member-centered behavioral health access program designed to make it easier for members to locate and obtain appropriate in-network care. Through Headway, members can be matched with therapists or psychiatric providers based on their care needs and personal preferences, choose between virtual and in-person services, and access care ranging from talk therapy to medication management.

Anthem's member-service teams can assist members by booking an appointment, submitting a referral for personalized outreach, or connecting the member with live scheduling support. Headway also conducts real-time eligibility checks and provides an upfront estimate of the member's expected session cost. From our perspective, the program directly addresses common barriers to behavioral health care, including provider availability, network navigation, cost uncertainty, and scheduling complexity, and is intended to help members connect with appropriate services in a timely, convenient, and informed manner.

These programs do not eliminate the need for adequate rates, but they demonstrate our commitment to addressing affordability at its source through better primary care, navigation, chronic-condition and case management, pharmacy strategies, and member engagement.

Finally, as a health insurer, Anthem is well positioned to help identify and prevent fraud, waste, and abuse. We take potential fraud, waste, and abuse in the individual market and Covered CT seriously, but any response must be based on verified evidence rather than assumptions. Every improperly paid claim or ineligible enrollment diverts limited resources from residents who legitimately depend on affordable coverage.

The appropriate response is a strong, transparent program-integrity framework that includes reliable eligibility verification, routine data matching, targeted audits, clear accountability for carriers, brokers, providers, and applicants, and timely recovery of improper payments. At the same time, enforcement must include due process and safeguards so eligible consumers are not wrongly denied coverage or discouraged from seeking care.

We have worked very closely with Access Health to address member eligibility issues as we identify them on our system. We have also advocated for and encourage the state to initiate stronger up front controls such as data-matching, and program-integrity processes to identify and prevent potential fraud, waste, and abuse more effectively while minimizing disruption for eligible consumers. Protecting public funds and protecting access to health insurance are not competing goals; a thoughtful system must do both.

Connecticut-Focused Community Investments

Anthem's commitment to Connecticut extends beyond paying claims and providing access to medical care. We recognize that health is shaped by many factors outside the doctor's office, including access to nutritious food, behavioral health services, reliable transportation, safe housing, and strong community support. Addressing these factors can improve health outcomes, strengthen communities, and help lower health care costs over time.

Through the Anthem Blue Cross and Blue Shield Foundation, we invest in Connecticut organizations that address some of the state's most pressing health needs, including maternal and infant health, food insecurity, mental health, and substance use disorder treatment and prevention.

One example is our support for Count the Kicks, a stillbirth prevention initiative in Connecticut. The program provides free educational resources to care providers and a free app that helps expectant parents monitor fetal movement during the third trimester.

We also support Wholesome Wave's Food4Moms Park City program, which helps low-income pregnant women in Bridgeport access nutritious food and prenatal support. The program combines a monthly produce prescription benefit with nutrition guidance and prenatal care, helping address food insecurity during a critical period for maternal and infant health.

In Greater Hartford, we support Hartford Hospital's Food4Health program, which provides more than 100 families each week with fresh, nutritious food, education, and clinical guidance to help improve health outcomes and manage chronic conditions.

These investments support Connecticut communities and the health of the people we serve. They reflect our belief that lowering health care costs requires helping people stay healthier, addressing barriers to care earlier, and supporting community-based solutions that can improve health before more costly interventions are needed.

The Balance Before the Department

I understand that no one welcomes a rate increase. I also understand that the Department has a responsibility to scrutinize the filings, ask hard questions, and protect consumers. Anthem respects that process.

The Department's rate review process must also support a stable insurance market. Inadequate rates create a different kind of harm: reduced stability, fewer choices, less predictability, and pressure on the programs, networks, and services Connecticut residents rely on.

As we all know, the number of carriers in the small group and individual markets has declined significantly over more than 10 years, leaving only two carriers in each market, with Anthem as the only carrier participating in both. We are not asking Connecticut families and small businesses to bear rising costs without Anthem doing its part.

We are negotiating, managing pharmacy costs, maintaining an extensive Connecticut provider network, investing in value-based care, expanding advanced primary care, supporting Covered CT participation, supporting public-sector and Partnership Plan members, strengthening preventive care, and funding community-based programs that address real health needs in Connecticut.

At Anthem, we are committed to remaining in Connecticut's small-group ACA market, but we are increasingly concerned about pressures on its long-term sustainability. Enrollment continues to decline, medical and prescription drug costs continue to rise, and the risk pool is becoming smaller and less predictable. At the same time, small employers are struggling to absorb higher premiums, while carriers face growing difficulty offering affordable coverage in a market with fewer participants and limited opportunities to spread risk.

We want to continue serving Connecticut's small businesses and their employees, but maintaining a stable market will require coordinated action. We believe the Department of Insurance and the industry must work together openly and constructively to evaluate the factors driving employers out of the fully insured market, address unnecessary regulatory and administrative burdens, improve predictability, and consider responsible reforms that support participation, competition, and affordability.

This is not a request to weaken consumer protections. It is a call to ensure that those protections operate within a viable market. A sustainable small-group market must balance affordability for employers and employees with the financial realities of providing comprehensive coverage. We are prepared to bring data, experience, and practical solutions to the table. With collaboration, flexibility, and a shared sense of urgency, we can preserve a competitive small-group ACA market and ensure that Connecticut's small businesses continue to have access to dependable, high-quality health coverage.

For these reasons, Anthem respectfully supports approval of the 2027 individual and small group rate filings as submitted. We believe the requested rates are justified, necessary, and consistent with our obligation to provide stable, high-quality coverage to Connecticut individuals, families, small employers, and the broader communities we have served for generations.

Thank you for your time and for the opportunity to testify.