Testimony Regarding H.B. 5018 An Act Concerning Health Care Cost Growth in Connecticut
Testimony Regarding S.B. 328 An Act Concerning Benchmarks, Canadian Drug Reimportation, Stop-Loss Insurance and Reinsurance and
Testimony Regarding S.B. 346 An Act Concerning Public Options for Health Care in Connecticut

Samantha Lew, MSW and Karen Siegel, MPH
Insurance and Real Estate Committee
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Dear Senator Lesser, Representative Scanlon, Senator Hartley, Representative Dathan, and esteemed members of the Insurance and Real Estate Committee,

Thank you for accepting this written testimony from Health Equity Solutions. Health Equity Solutions is a nonprofit organization with a statewide focus on promoting policies, programs, and practices that result in equitable health care access, delivery, and outcomes for all people in Connecticut. Our vision is for every Connecticut resident to attain optimal health regardless of race, ethnicity, or socioeconomic status.

Testimony Regarding H.B. 5018 An Act Concerning Health Care Cost Growth in Connecticut and Testimony Regarding S.B. 328 An Act Concerning Benchmarks, Canadian Drug Reimportation, Stop-Loss Insurance and Reinsurance

We have combined our testimony on H.B. 5018 and S.B. 328 since it concerns only the health care cost growth and benchmarking portions of these bills.

First, we want to express our support for the portions of these proposed bills that empower the Office of Health Strategy to collect data on cost and quality across payers and improve transparency in the health care system. A more comprehensive view of the state's health systems could offer insight regarding the impact of policy proposals and highlight opportunities to scale up successful initiatives. ***We urge the Committee to require the reporting of race, ethnicity, and language preference data*** to the extent possible. This will enable the Office of Health Strategy to intentionally embed health equity in all aspects of its work and to ensure that interventions do not unintentionally exacerbate health disparities.

Second, we note that cost benchmarks, value based payment models, efforts to increase the percentage of health care spending devoted to primary care, and quality benchmarks all have the potential to improve access to care for underserved communities OR to widen disparities in health care access and outcomes for such groups. For example, some value based payment models inadvertently reward providers who serve more wealthy residents with few social or economic barriers to good health.[1] On

[1] See: Siegel, K. (2020) "Advancing Health Equity for Connecticut's Children and Families Through Health Systems Transformation." Available at: https://ctvoices.org/publication/advancing-health-equity-for-connecticuts-children-and-families-through-health-systems-transformation/
Joynt Maddox, K. "Financial Incentives and Vulnerable Populations— Will Alternative Payment Models Help or Hurt?" New England Journal of Medicine. 379:977-979. Retrieved from: http://www.nejm.org/doi/full/10.1056/NEJMp1715455 and

the other hand, efforts to center health equity in health systems reforms in Oregon show promising results in addressing health disparities.[2]

Since there is potential for cost growth benchmarks to unintentionally single out safety net providers for improvement, ***we recommend incorporating social risk into the risk adjustment tool used for the cost growth benchmark***. Recent research solidifies concerns that algorithms based on claims data alone perpetuate or widen health disparities because of historical underutilization by people of color that is the result of disparities in health insurance coverage, fear of encountering bias, and other social and economic factors stemming from structural racism.[3]

Finally, ***we urge the Committee to consider the potential unintended consequences of shifting health spending to primary care as a percentage of overall health care spending and to center health equity in this effort***. As a long-term goal, we support the aim of spending more on prevention and less on treating preventable illness. Yet, we are concerned that the focus on the percentage of spending rather than on simply increasing spending on primary care over a short timeline could result in cuts to needed interventions and supports for people coping with chronic or acute disease. An increase in primary care spending in the next 4 years is unlikely to prevent or lessen the severity of disease enough to offset spending on specialty or hospital-based treatment. As Connecticut considers initiatives to shift the proportion of spending dedicated to primary care, we recommend careful consideration of how the crucial services primary care offers can be enhanced without unintentional negative impact on other forms of care.[4]

Given that Connecticut's aggregate health metrics often mask the needs and disparate health outcomes experienced by people of color, ***we recommend that plans to expand and improve primary care thoughtfully embed equity***. Increasing investment in primary care has the potential to advance whole person care and, as a result, to promote health equity. We request evaluation of the potential disproportionate impact of changes made to prioritize primary care to ensure that this effort has the intended, positive impact on the health of Connecticut's residents rather than unintended consequences for other crucial parts of our health systems.

National Quality Forum. (2017) "A Roadmap for Promoting Health Equity and Eliminating Disparities: The Four I's for Health Equity." Retrieved from: https://www.qualityforum.org/Publications/2017/09/A_ Roadmap_for_Promoting_Health_Equity_and_Eliminating_Disparities__The_Four_I_s_for_Health_ Equity.aspx

[2] Wright, B., Royal, N. Broffman, L., Li, H, Dulacki, K. (2019) "Oregon's Coordinated Care Organization Experiment: Are Members' Experiences of Care Actually Changing?" The Journal for Healthcare Quality. 41:4. doi: 10.1097/JHQ.0000000000000178. Retrieved from: https://insights.ovid.com/ crossref?an=01445442-201907000-00011

[3] Obermeyer, Z., Powers, B., Vogeli, C., and Mullainathan, S. (2019) Algorithmic Bias In Health Care: A Path Forward." Health Affairs Blog. Retrieved from: https://www.healthaffairs.org/do/10.1377/ hblog20191031.373615/full/

[4] See, for example: Kaiser Family Foundation. "Medicare Delivery System Reform: The Evidence Link." Available at: https://www.kff.org/medicare-delivery-system-reform-the-evidence-link/ and Marcotte, L., Reddy, A., & Liao, J. (2019) "Addressing Avoidable Healthcare Costs: Time to Cool Off on Hotspotting in Primary Care?" *J Gen Intern Med* DOI: 10.1007/s11606-019-05285-z

HEALTH EQUITY SOLUTIONS

Testimony Regarding S.B. 346 An Act Concerning Public Options for Health Care in Connecticut

Access to health insurance is key to access to health care and Connecticut continues to experience disparities in rates of insurance coverage. Black residents of the state are twice as likely as white residents to go without health insurance, for example. After years of shrinking the uninsurance gap between white residents and residents of color in the state, these gaps have held steady in recent years.[5] Structural racism and related income inequality mean that Connecticut's people of color are more likely than white residents to work in low-wage jobs that do not offer health insurance or that offer coverage that is too costly to afford. As written, it seems that the subsidies proposed in S.B. 346 would apply only to individuals earning more than 400% of the federal poverty limit. ***We urge the legislature to consider the needs of the state's lower income families when designing public health insurance options, including the state-wide dental plan.*** Barriers that prohibit Connecticut's residents from securing health insurance include insufficient wages, unaffordable healthcare coverage, and overall barriers to accessing resources.[6]

As a result of cuts made in 2015, over 11,000 parents and caregivers lost their HUSKY Health (Connecticut's Medicaid and CHIP programs) coverage in 2016.[7] As of November 2017, when tracking ended, 78% of these parents had no known insurance coverage. Health insurance, even with subsidized rates available through the state's health insurance exchange can be unaffordable for families in this income bracket. In 2020, a family of 4 with a household income of $42,100/year (161% FPL) could spend up to 16.9% ($6,970) of the total family income on premiums and out-of-pocket costs to cover two adults on the health insurance exchange (the children would remain eligible for HUSKY coverage).[8]

With Connecticut's high cost of living, this means that parents must choose between basic necessities—like utilities, food, and gas—and health insurance coverage.

In 2017, those in households earning over $100,000/year had the lowest rate of uninsurance. This is the income bracket least likely to be eligible for subsidies on the state health insurance exchange and most likely to be eligible for new subsidies described in this bill. While the percentage of uninsured in this income group is low, the number of uninsured Connecticut residents in this income bracket remains high and is exceeded only by the number of uninsured Connecticut residents in households earning $25,000-$49,999/year (see chart below). This latter group is most likely to exceed Medicaid income eligibility limits and to be unable to afford the out-of-pocket costs of the health insurance exchange even with subsidies.

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[5] Selected Characteristics of Health Insurance Coverage in the United States. American Community Survey. 1-Year estimates for 2016 and 2017

[6] Understanding underlying drivers, barriers and needs of the uninsured in Connecticut. (2019) Retrieved from: https://agency.accesshealthct.com/wpcontent/uploads/2019/10/Uninsured_Research_20191016.pdf

[7] Connecticut Voices for Children. (2018). "HUSKY A for Parents and Caregivers: Restoring Health Coverage for Families." Retrieved from: http://www.ctvoices.org/sites/default/files/Husky%20coverage%20fact%20sheet%20v2.pdf

[8] Least expensive scenario using Access Health CT search function during open enrollment 2020. Costs vary by family size and this example was chosen as representative.

HEALTH EQUITY SOLUTIONS

Uninsured in Connecticut by Household Income[9]

Household Income	Number Uninsured	% Uninsured
Under $25K	29,513	**7.9%**
$25-$49.99K	**47,892**	**8.8%**
$50-$74.9K	37,093	7.2%
$75-99.9K	28,454	6.1%
$100K or more	**46,834**	3.0%
Total	189,786	5.5%

Health insurance is crucial to health equity because it is the first step in access to care. Further, insurance coverage has numerous, cross-sector benefits, which include reduced spending on preventable care, improved health outcomes, a more productive workforce, and reduced medical debt. People who lack health insurance are more likely to skip preventive care and postpone or forego medication and treatment for chronic or unexpected illnesses.[10] Gaining access to health insurance is associated with improved self-reported health, improved access to health care, and lower rates of stress and depression.[11] These improvements in wellbeing are of particular importance for Connecticut's people of color, who experience persistent gaps in multiple measures of wellbeing as compared to the state's white residents.[12]

We believe that any public option should consider the following: advancing health equity by addressing insurance coverage disparities, assessing provider network and availability, detailed assessments of costs (form every aspect, including consumer costs). We also believe that these ***analyses should be shared publicly and subject to change based on consumer input to ensure accessibility, particularly for lower income families of color***. We also recommend that the Connect Advisory Council include additional consumers and particularly include representatives of communities of color that experience high rates of uninsurance. Thoughtful inclusion of consumer perspectives will be need if this option is to address inequities in insurance coverage in our state.

Thank you for the opportunity to testify regarding H.B. 5018, S.B. 328, and S.B. 346. Please contact Karen Siegel at ksiegel@hesct.org or 860.937.6437 with any questions.

[9] Selected Characteristics of Health Insurance Coverage in the United States. American Community Survey. 1-Year estimates for 2016 and 2017.
[10] Kaiser Family Foundation. (2019). Key Facts about Health Insurance and the Uninsured amidst Changes to the Affordable Care Act" Retrieved from: https://www.kff.org/uninsured/report/the-uninsured-andthe-aca-a-primer-key-facts-about-health-insurance-and-the-uninsured-amidst-changes-to-the-affordablecare- act/
[11] Ibid
[12] See, for example, DataHaven's "Community Wellbeing Survey" available at: https://www.ctdatahaven.org/reports/datahaven-community-wellbeing-survey