



DATE: March 6, 2018
TO: Insurance and Real Estate Committee
FROM: Ben Shaiken, Manager of Advocacy & Public Policy
RE: S.B. No. 378 An Act Concerning Reimbursements Under Certain High Deductible Health Plans and S.B. No. 384 An Act Concerning Mental Health Parity, Data Reported by Managed Care Organizations and The All-Payer Claims Database

Good morning Sen. Larson, Sen. Kelly, Rep. Scanlon, Rep. Sampson and distinguished members of the Insurance and Real Estate Committee:

My name is Ben Shaiken, Manager of Advocacy & Public Policy at the CT Community Nonprofit Alliance. The Alliance is Connecticut's statewide association of community nonprofits. Our members deliver essential services to more than half a million people each year and employ almost 14% of Connecticut's workforce.

I am here to testify **in support of S.B. No. 378** "An Act Concerning Reimbursements Under Certain High Deductible Health Plans" **and S.B. No. 384** "An Act Concerning Mental Health Parity, Data Reported by Managed Care Organizations and The All-Payer Claims Database."

S.B. No. 378 requires insurance carriers to directly reimburse providers for the services they provide even if the deductible, coinsurance or copayment is owed to the insurance company by the covered person. For nonprofit community providers that receive significant Medicaid and state grant funding, a healthy payer mix that includes reimbursement for covered services by private insurance companies is an essential component of the financial survival and success. Often, the people whose insurance requires the highest deductibles, coinsurance rates or copayments are the people who can least afford it, and those people are served at higher rates by community providers.

We support S.B. 378 because it will increase payments to nonprofit providers from private insurance, improving their fiscal health and stability amid significant budget reductions from the State.

S.B. No. 384 strengthens mental health parity in Connecticut. In 2008, President George W. Bush signed a landmark piece of legislation. The federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, P.L. 110-343, requires health insurers that offer mental health and addiction benefits to do so on par with medical and surgical benefits. Health insurers and managed care organizations can no longer apply financial requirements and treatment limitations that are more restrictive for mental health and addiction benefits than those applied to medical and surgical services. The federal parity law applies to most commercial and to all Medicaid Managed Care plans in America, and state insurance commissioners and Medicaid Directors have the authority to enforce it.

The parity law is one way to ensure that health plans are playing a role in addressing the current opioid crisis, providing insured individuals timely access medically appropriate care. Unfortunately, years after the final parity regulations were promulgated, the law's protections designed to safeguard individuals and health care providers from unfair restrictions remain unrealized. Individuals and their employers are



still paying for insurance coverage of mental health and addiction care that is far more restrictive than insurance coverage of other medical care. This includes:

- more restrictive treatment limitations;
- more stringent and frequent authorization requests;
- fail-first or step therapy requirements for more intensive levels of services or prescription drug access; and
- more restrictive policies and procedures for paneling providers in provider networks and determining reimbursement rates.

These barriers result in care delays, denials for service, and often create a crisis situation for individuals and their families. Individuals who use their insurance to access mental health and addiction care experience these barriers far more frequently than individuals who access medical services, such as chemotherapy and dialysis. Strong parity enforcement means that people can access the care they need. **Please support S.B. 384** because it facilitates implementation and enforcement of the federal parity law and strengthens parity provisions within Connecticut law. Improved enforcement of the parity law will ensure that people are able to access the benefits that they and their employers are paying for with their premium dollars.

Thank you for your consideration of these important issues. I would be happy to answer any questions you have.

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