



Human Services Committee
March 13, 2012
American Cancer Society Testimony

RE: HB 5450 – An Act Establishing a Basic Health Plan

We have made significant progress in recent years in addressing the cancer problem. Cancer death rates have decreased by 18.4% among men and 10.5% among women since the early 1990s. Despite this significant progress, the American Cancer Society realizes that its long-term goals of reducing the incidence and mortality of cancer cannot be achieved unless the gaps that still exist within the current health care system are addressed.

An American Cancer Society study of 12 types of cancer among more than 3.5 million cancer patients dramatically demonstrated the problem of access for uninsured cancer patients prior to the passage of the Patient Protection and Affordable Care Act (ACA) in 2009. The study found uninsured patients were significantly more likely to present with advanced stage cancer compared to patients with private insurance. The study found consistent associations between insurance status and stage at diagnosis across multiple cancer sites. Compared to patients with private insurance, uninsured patients had significantly increased likelihoods of being diagnosed with cancer at more advanced stages. The greatest risk for diagnosis with moderately advanced cancer (stage II) instead of the earliest stage (stage I) was in colorectal cancer, while the highest risk for diagnosis at the most advanced stage of cancer (stage III/IV) was in breast cancer. The study shows that too many cancer patients are being diagnosed too late, when treatment is more difficult, more expensive, and has less chance of saving lives.

We must apply equally what we know about cancer prevention, early detection and treatment to ensure that all people—especially those in communities that suffer a disproportionate burden of cancer—benefit from major cancer breakthroughs. One step to that end is to increase the number of lower income individuals with meaningful health insurance coverage and affordable access to the full range of high quality cancer-related services, prevention through end of life.

The Affordable Care Act requires the creation of state-based health insurance exchanges for individuals and small businesses to purchase insurance by January 1, 2014. Exchanges are essentially organized insurance marketplaces, which, if they are designed and function well, will provide consumers with a “one-stop shop” to compare and purchase health insurance and enroll in public coverage programs, as well as use the power of a large risk pool to generate competition among health plans based on quality and cost.

The ACA also gives states the option of creating a Basic Health Program (BHP) which would provide coverage to those that are not eligible for Medicaid (between 133% and 200% of the federal poverty level) who would otherwise be eligible to purchase coverage through state Health Insurance Exchanges. The federal government would reimburse states 95% of the costs of the premium and cost sharing subsidies that would have gone to providing coverage for this group in the exchange. Once enrolled in a BHP, people would not be eligible to take part in the exchange.

As such, any decisions concerning the establishment of a BHP would have significant impact on the exchange.

The exchange board is faced with many critical decisions to make over the coming weeks and months, including hiring a CEO and staff, establishing standards for plans included in the exchange, determining if individual and small group plans should be combined, and many more all on a very short timeline—the plan must be federally approved by January 2013. Much of the decision making process has already begun—reports are being prepared and recommendations are already coming in.

The BHP and the exchange are already linked in terms of the tight timeline as well as the development of the standards for plans—the essential benefits package, the establishments of premiums tied to the “silver” plans in the exchange and cost sharing linked to the “platinum” and “gold” plans and more. Connecticut would have less than nine months to develop and implement the administrative infrastructure of the BHP as well as secure funds for planning and operational costs.

The American Cancer Society respectfully OPPOSES the establishment of a Basic Health Program. Current estimates indicate establishing BHP would reduce the exchange population by up to one third which will undermine its viability and bargaining power with carriers and providers. Additionally, the short timeline by which to make these critical decisions makes it highly unlikely that a viable BHP can be implemented so quickly, which would undermine both and leave consumers without any options.

The American Cancer Society views the health insurance exchange as being critical to the success of health care reform. In order for cancer patients and their families to experience real changes in their ability to access, choose, and purchase comprehensive health insurance that meets their needs, policymakers as well as directors must tackle critical challenges related to the design, implementation and governance of the new exchange. As always, we appreciate the opportunity to inform this process and are available to work with the members of this committee to ensure greater access to health care for all of Connecticut's citizens.

Thank you.

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