



STATE OF CONNECTICUT  
OFFICE OF POLICY AND MANAGEMENT

TESTIMONY PRESENTED TO THE HUMAN SERVICES COMMITTEE  
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Office of Policy and Management*

Testimony Opposing House Bill No. 5450  
AN ACT ESTABLISHING A BASIC HEALTH PROGRAM

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Senator Musto, Representative Tercyak and distinguished members of the Human Services Committee, thank you for the opportunity to submit written testimony on House Bill 5450 - An Act Establishing a Basic Health Program.

House Bill 5450 requires that a Basic Health Program be established in Connecticut and that a plan for such a program be submitted no later than October 1, 2012. This action is premature. Due to the many important outstanding questions regarding the design, funding and functioning of a Basic Health Program, there is not sufficient information at this point in time to evaluate whether it would be in the best interest of consumers, the State, and the Connecticut Health Insurance Exchange to establish such a program.

Most significantly, critical federal guidance and regulations regarding a Basic Health Program have not yet been issued. This guidance is needed in order to evaluate how federal subsidy funds will be provided to the State for enrollees of a Basic Health Program as well as to clarify key design and benefits issues. Also, in order to design the program, Connecticut must first identify an essential health benefits benchmark plan.

Key questions that must be answered before the State can evaluate the merits of a Basic Health Program include: How much will a Basic Health Program cost? What will be the impact on the viability of the Connecticut Health Insurance Exchange? Will there be sufficient Medicaid providers to adequately serve Basic Health Program enrollees? Will Connecticut be allowed to administer a Basic Health Program using the newly implemented Administrative Services Organization (ASO) arrangement?

Regardless of the timing of these decisions, two key provisions should inform this process: 1) a Basic Health Program must be cost neutral to the State or helpful to our efforts to reduce healthcare costs; and 2) the decision to establish a Basic Health Program should be made in consultation with the Connecticut Health Insurance Exchange Board due to the impact a Basic Health Program will have on the operation and sustainability of the Exchange.

The Malloy Administration is fully supportive of the goals of improving access to affordable and meaningful health care insurance, reducing the number of individuals without health insurance and improving the quality and efficiency of our health care system. Towards this end, more information is needed before it can be determined that implementing a Basic Health Program in Connecticut will contribute to these goals. Passing legislation this year is not imperative. We look forward to working with you on this important issue so as to arrive at a recommendation that would serve the best interests of the citizens of Connecticut.