

**KEVIN LEMBO**  
STATE COMPTROLLER



**MARTHA CARLSON**  
DEPUTY COMPTROLLER



STATE OF CONNECTICUT  
OFFICE *of the* STATE COMPTROLLER  
55 Elm Street  
Hartford, CT 06106

**Written Testimony  
Comptroller Kevin Lembo  
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**Concerning  
House Bill 5463: *AN ACT CONCERNING A MEDICAID PUBLIC OPTION.***

Good morning Senator Moore, Representative Abercrombie, Senator Markley, Representative Case and Members of the Human Services Committee:

Thank you for the opportunity to testify on House Bill 5463: *An Act Concerning A Medicaid Public Option*. This past year the majority party in Congress spent the better part of the year trying to pass legislation that would repeal the Affordable Care Act (ACA) along with the protections and health care coverage the law provides to millions of Americans and hundreds of thousands in this state. At the same time, for much of the first half of the year it was unclear whether AccessHealthCT would retain any carriers on the exchange for the 2018 plan year as both of the remaining carriers, Anthem and ConnectiCare, were considering pulling out.

The federal efforts and the very real cost considerations by the remaining health carriers on the exchange to end their participation are evidence that the State of Connecticut must take action at the state level to ensure every Connecticut resident has access to a high quality and affordable health insurance product. A true public option would ensure that there would always be a viable health care option for Connecticut residents, regardless of actions at the federal level or decisions by individual carriers.

A public option in Connecticut could take many forms. HB 5463 envisions a public option based upon the state's Medicaid plan. There are many potential advantages to considering a public option based upon our state's successful fee-for-service Medicaid program, as well as some challenges that must be overcome. I would suggest the legislation also direct the Commissioner of the Department of Social Services to consider whether a public option could be better facilitated if the state adopted a basic health plan, as allowable under the ACA. The basic health plan allows states to utilize the dollars that would have gone toward premium assistance for individuals up to 200% of the federal poverty level to create a state-sponsored health plan to cover this group of individuals. The State of Minnesota operates a successful basic health plan and has considered utilizing it as the basis for a public option. In Minnesota the basic health plan is built off of the Medicaid platform, but with higher reimbursement rates than traditional Medicaid, and still lower than commercial insurance. The higher reimbursement rates ensure greater access to care for participants of the program while avoiding additional financial strain on providers who often lose money when caring for Medicaid participants.

In addition to ensuring access, we must address affordability. A Medicaid public option may allow the state to offer participants lower premiums and deductibles than are currently available on the state's exchange. Today the average premium on the Connecticut exchange is nearly

double that of Massachusetts, our neighbor. And, last year, while Connecticut saw double-digit increases in premiums, Massachusetts' premiums actually decreased. The status quo of high premiums, high deductibles and annual double-digit premium increases is unsustainable. We need to take bold state-level action to ensure quality and affordable coverage for the growing number of residents who do not have access to employer-sponsored health coverage. A Medicaid public option has the potential to lower premiums, stabilize the market and provide a viable insurance option for Connecticut residents who must purchase their coverage on the individual market.

I applaud the committee for taking up this legislation and taking the necessary next step to develop and evaluate opportunities for a Medicaid public option.

Thank you for giving me the opportunity to provide my testimony on this important issue.