



April 27, 2006

The Honorable Michael Enzi
United States Senator
Committee on Health, Education, Labor and Pensions
428 Dirksen Senate Office Building
Washington, DC 20510

**RE: Health Insurance Marketplace Modernization and Affordability Act
of 2006 (S. 1955)**

Dear Chairman Enzi:

Senate Bill 1955 raises a number of concerns for Connecticut consumers and policymakers. If enacted, this bill will abolish important State regulatory protections for consumers, result in higher premiums, provide less overall coverage, and create a more bureaucratic and inefficient health insurance marketplace.

Under the bill, the Secretary of Health and Human Services will establish “Benefit Choice Standards.” If a state does not adopt these standards in their entirety as their exclusive law, then the bill provides that federal law supersedes “any and all State laws insofar as such laws relate to benefit, service, or provider mandates in the health insurance market ...” (S. 1955, dated March 3, 2006, §§ 2921 (1) and 2923 (a) and (b)). The state cannot, therefore, opt out of the “benefit choice standards”, even if those standards provide far less benefit protection of consumers than a state’s current law provides. In short, S. 1955, in an unprecedented over-reach by the federal government, guts Connecticut benefit protections that have been carefully considered by our State legislature. For example, consumers covered by small business policies in Connecticut could lose access to state-mandated services including, but not limited to:

- Mental health diagnosis, service and treatment on par with physical health and required by Connecticut General Statutes C.G.S. § 38a-514;
- Medically necessary, prescription food for newborns presently required by C.G.S. § 38a-518c;
- Treatment of Lyme Disease as ordered by a Board Certified Neurologist and required by C.G.S. § 38a-518h; and,
- Access to potentially life-saving treatment, in clinical trials for cancer, protected by C.G.S. § 38a-542a-g.

Further, despite the promise of rate relief for small businesses under the new stripped-down/harmonized benefit design, small businesses with even one sick worker could see their premiums increase sharply. Right now, Connecticut limits the variation in premium rates for small businesses, thereby stabilizing the market. If S. 1955 passes, insurers could vary premiums by as much as 25 percent based on health status, 20 percent based on business type, 15 percent based on the industry; and there would be no limit to premium variations based on age, sex or geography.

The biggest problem facing our health care system is skyrocketing costs that far outpace inflation. S. 1955 does nothing to address this issue. Its promise of consumer relief proves empty upon closer scrutiny. Instead, the bill's preemption of Connecticut's right to regulate insurance is a significant interference with a traditional state function that will result in relief only for insurers. S. 1955 is a move in the wrong direction in health insurance oversight and regulation. I respectfully ask that you reconsider your position.

Sincerely,



KEVIN P. LEMBO
State Healthcare Advocate
Connecticut

cc: Hon. M. Jodi Rell, Governor
Hon. Christopher Dodd, United State Senator
Hon. Joseph Lieberman, United States Senator
Hon. John Larson, United State Representative
Hon. Rob Simmons, United State Representative
Hon. Rosa DeLauro, United State Representative
Hon. Christopher Shays, United State Representative
Hon. Nancy Johnson, United State Representative
Hon. Donald Williams, Senate President Pro Tempore
Hon. Martin Looney, Senate Majority Leader
Hon. Louis DeLuca, Senate Minority Leader
Hon. James Amann, Speaker of the House
Hon. Christopher Donovan, House Majority Leader
Hon. Robert Ward, House Minority Leader
Hon. Joseph Crisco, Senator, Co-Chair Insurance Committee
Hon. Brian O'Connor, Representative, Co-Chair Insurance Committee
Hon. Susan Cogswell, Commissioner, Connecticut Insurance Department