



November 30, 2011

Secretary Kathleen Sebelius
US Department of Health and Human Services
200 Independence Avenue, SW
Washington DC 20201
By FAX: 202-690-7203

Dear Secretary Sebelius:

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We write to share our grave concerns about the development of Connecticut's health insurance exchange and seek your assistance in ensuring we build a strong, fair marketplace for our members and all state residents to purchase insurance products with value. Specifically, we ask for your help in addressing the problematic composition of Connecticut's Health Insurance Exchange Board which has over-representation by insurance industry interests and under-representation by individual and small business consumers.

As you know, small businesses are the foundation of Connecticut's, and indeed the nation's, economy and are the best hope to generate jobs that will lead us back to prosperity. Small Business for a Healthy Connecticut, a coalition of small companies in Connecticut, was created by volunteers to advocate for affordable, decent coverage for ourselves and our employees. For too long, small employers have had a significant disadvantage in securing health benefits in the current health insurance marketplace, paying ever increasing premiums for ever decreasing coverage.

A viable, competitive insurance marketplace to negotiate on our collective behalf and provide value for our premium dollars is critical to our ability to improve the health and productivity of our workforce. The Affordable Care Act holds out hope to small businesses that we will finally be able to purchase quality, affordable health insurance for our employees through a Health Insurance Exchange. However, we believe that under the current composition of Connecticut's Exchange board, small businesses will see exactly the opposite results – highly priced insurance products with limited coverage. Further, we believe the current board membership could invite legal challenges from consumers and small businesses, or from insurers whose companies are not represented in the background of board members and whose applications are rejected.

Small Business for a Healthy Connecticut
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We believe that the Connecticut Exchange board fails to meet both state and federal standards. Federal Health and Human Service regulations that directed states development of exchanges clearly states the overall intention that small businesses and consumers must hold the majority of votes on the Board. *“Exchanges are intended to support consumers, including small businesses, and as such, the majority of the voting members of governing boards should be individuals that represent their interests.”* Yet, Connecticut’s 10-member Exchange board includes no voting consumer representatives and only one small business owner.

When the Connecticut General Assembly met earlier this year to approve legislation establishing the exchange, consumer and small business advocates were successful in convincing lawmakers to include strong conflict of interest language. Connecticut, often called “the insurance capital of the world”, has a long and unfortunate history of undue influence by the insurance industry in directing public policy to meet their needs rather than those of the consumers and small businesses. As a result of advocate efforts, Connecticut Public Act 11-53 specifically excludes membership on the state’s Health Insurance Exchange Board any individual “affiliated with” an insurance company.

Unfortunately policymakers’ appointments to the Board and announced in August did not honor that exclusion. The appointees include three individuals who served as top executives for insurers, with no meaningful work experience outside the industry. Worse, at least one member was specifically recommended by the insurance industry’s lobbyist, and two have been openly involved in efforts to stifle reform.

Connecticut’s law also details specific qualifications for each Board member with areas of expertise important to development of a successful exchange. Yet most members’ credentials do not even vaguely match the qualifications specified in law. In contrast, a quick survey of exchange governance boards from surrounding states finds exceptional appointments, with experience relevant to the work of the exchange. Policymakers in those states, put aside political influences in the best interests of the consumers and small businesses who must rely on the exchange.

Having a fair and balanced oversight board is critical to the success of the insurance exchange and health care reform. Consumers who are compelled by the federal law to buy insurance have to believe that they aren’t wasting their money by paying for more empty coverage. Allowing insurance executives, whose failures led to the need for health care reform, design the system will not inspire that confidence. Under the current scenario, many consumers could choose to pay the penalty and remain uninsured and small businesses will not purchase coverage for their workers.

Today, we ask you to intervene with Connecticut's policymakers, and to urge them in the strongest language possible to remove health insurance industry influence and to expand consumer and small business representation on the Connecticut Health Insurance Exchange Board.

We stand ready to work with you and state policymakers to ensure that the goals of health reform are realized and that Connecticut's small business and individual consumers benefit from every opportunity in the Affordable Care Act.

Thank you for your support and commitment to the health of all Americans.

Sincerely,



Kevin Galvin
President, Small Businesses for a Healthy Connecticut

Cc: Governor Malloy
Lt. Governor Wyman
Jeanette DeJesus, Special Advisor to the Governor
Senator Richard Blumenthal
Senator Joseph Lieberman
Congressman John Larson
Congressman Chris Murphy
Congresswoman Rosa DeLauro
Congressman Joe Courtney
Congressman Jim Himes
Christie Hager, Director HHS Region 1
Senator Donald Williams
Representative Christopher Donovan
Ellen Andrews, CT Health Policy Project
Tom Swan, CT Citizens Action Group