



**PUBLIC COMMENT BEFORE THE
STATE INNOVATION MODEL PROGRAM MANAGEMENT OFFICE
EQUITY AND ACCESS COUNCIL – DRAFT REPORT
SEPTEMBER 10, 2015**

My name is Jennifer Herz and I am Assistant Counsel for the Connecticut Business and Industry Association (CBIA). CBIA has been representing Connecticut's employers for 200 years and our goal is to foster a dynamic business climate. Our members include businesses from across the state of all sizes and industry types.

CBIA submits this testimony in regard to the recommendations of the Equity and Access Council regarding safeguards against under-service and patient selection in the context of shared savings payment arrangements.

CBIA has been supportive of the State Innovation Model initiative because it focuses on improving outcomes while also reducing cost. The cost of health insurance continues to be a top concern for Connecticut's employers and value based benefits can play a role in supporting a healthier workforce which in turn will lead to reduced premium increases and more affordable health insurance for everyone. The success of Connecticut's employers depends on a healthy, productive workforce and a system that drives quality outcomes.

While CBIA certainly appreciates the hard work of the Equity and Access Council (EAC) I would like to take this opportunity to share some concerns with the recommendations.

Shared Savings: The SIM model sets out the ultimate goal of shared savings and there is concern about the recommendations referencing "pay for performance". While it goes without saying quality is crucial to the success of any health reform initiative, "pay for performance" may not achieve the desired savings to make this initiative successful. The concern is that providers may be rewarded without achieving actual savings which may mitigate the goal of reforming the current high-cost system.

Cost: It is unclear who will be expected to pay for the build out of Accountable Care Organizations (ACOs). While the up-front cost of ACOs goes beyond the framework of these recommendations it is important to highlight the need to have an inclusive discussion. ACOs may be an important tool to ensure the goals of the EAC as well as of the SIM initiative but more information about the return on investment is needed.

Employer Contributions: It is important to keep in mind that Connecticut's employers help pay for their employees' health insurance. And, most people get their insurance through their employer. Connecticut employers foot a big part of our state's health insurance bill and their investment in the

system should not be overlooked. This is particularly relevant to recommendation # 3.5: Reinvestment of Non-Retained Savings which intends to distribute savings into a community program. We respectfully suggest that if the goal is to drive and reward savings then alternative plans such as the one included in this recommendation be reconsidered.

CBIA appreciates the time and effort that went into this report and the recommendations. Some practical challenges were faced during the comment period due to summer vacations and the length of the report. I am confident that many of Connecticut's employers are interested and tuned into the issues at hand but simply may have faced practical hurdles to providing further feedback at this particular juncture. I welcome future opportunities for the employer community to contribute to the final report and future discussions.

Thank you for the opportunity to offer CBIA's comments.