STATE OF CONNECTICUT

GOVERNOR NED LAMONT

## Human Services Committee

**Testimony in Support of House Bill 5041: An Act Expanding Health Care Coverage**
**March 17, 2026**

Good morning Representative Gilchrest, Senator Lesser, Representative Case, Senator Perillo, and distinguished members of the Human Services Committee. Thank you for the opportunity to testify in support of **HB 5041**, An Act Expanding Health Care Coverage.

In 2026, after the federal government failed to extend enhanced health plan subsidies, Connecticut deployed temporary emergency funds to keep thousands of residents from being priced out of their health insurance. However, the state needs a long-term, sustainable solution to protect access to coverage. Adopting the measures proposed in this bill will be a significant step in the state's mission of ensuring access to affordable health care for Connecticut residents.

Today, Connecticut is considered the 5th most expensive state for health care. We also have the 2nd highest insurance coverage costs and 4th highest annual premiums for individual coverage in the country.[1] Every year, thousands of Connecticut residents go without insurance, ration or avoid taking prescription drugs,[2] and choose to not receive necessary care because of costs.[3] HB 5041 is designed to address these challenges in a meaningful way, with the goal of making accessible and affordable care a reality for Connecticut families.

The core part of HB 5041 is focused on exploring opportunities to lower premiums in the individual market. The bill directs the state to design and evaluate a publicly developed and privately administered health plan, with a pathway to implement the "Connecticut Option" program. This is a strategic step-by-step approach that allows us to learn from other states that have already implemented state plans and evaluate the levers available to Connecticut to maximize participation and minimize enrollee costs. Colorado, for example, was able to achieve a $101 reduction in monthly premiums per enrollee for their silver plans after implementing their "Colorado Option" program.[4]

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[1] https://www.consumeraffairs.com/insurance/most-and-least-expensive-states-for-health-care.html#most-expensive-states-for-health-care
[2] https://healthcarevaluehub.org/chess-state-survey/connecticut/2025/connecticut-survey-respondents-worry-about-high-drug-costs-express-bipartisan-support-for-policy-solutions/
[3] https://healthcarevaluehub.org/chess-state-survey/connecticut/2025/connecticut-survey-respondents-worry-about-high-hospital-costs-face-challenges-understanding-quality-and-cost-of-care-support-a-range-of-government-solutions/
[4] https://cahpr.sph.brown.edu/sites/default/files/documents/Policy%20Brief_%20Colorado%20Option%20Premiums%20(1).pdf

210 CAPITOL AVENUE, HARTFORD, CONNECTICUT 06106
TEL (860) 566-4840 • www.governor.ct.gov
Governor.Lamont@ct.gov

This strategy also gives the state the opportunity to explore how a program that would authorize a primary insurer to transfer portions of its risk portfolios to another entity, thus limiting maximum losses and stabilizing financial performance, could be employed to stabilize premium growth in the market and generate federal pass-through funding. This type of program is one of the most effective tools states have to reduce premiums by helping to offset high-cost medical claims, as shown in states like Colorado, where the average benchmark premium decreased by 27% the year their program was implemented.[5] Such an initiative empowers the state to thoughtfully and strategically explore real premium relief while maintaining consumer choice in a stable market.

In the nearer term, HB 5041 also supports small businesses that want to offer meaningful health benefits to their employees but struggle with the costs of traditional small group plans. The bill expands the use of Individual Coverage Health Reimbursement Arrangements (ICHRAs) through Access Health CT's new BusinessPlus platform by creating a tax credit for employer contributions of up to $1,000 per covered employee per year. This initiative will help offset the employees cost to purchase coverage and the employer's cost during their first two years in the program. This program will help employees save up to an estimated 11% on their premium costs when using their ICHRA to purchase coverage on the individual marketplace. That added support incentivizes employers to offer coverage and contribute toward their employees' insurance, while enabling workers to choose the plan that best fits their needs. This approach provides more flexibility for Connecticut families, more predictability for small businesses, and a practical path to coverage for workers.

The bill also recognizes that Connecticut's workforce is changing. HB 5041 includes a provision that enables the creation of portable health benefits accounts that are tied to independent workers which will follow them between jobs and contracts. This flexibility allows companies to contribute to their workers' health insurance regardless of whether the worker is classified as an "employee," supporting coverage for people who work outside of traditional employment models. During a 12-month portable benefits pilot program in Pennsylvania, DoorDash voluntarily deposited $1.3 million into portable benefits accounts on behalf of 4,400 program participants—an average benefit of $296. As a result, 66% of participating workers reported gaining access to benefits they wanted and would not have otherwise had and 77% of participants reported that the program made them feel more financially secure.[6] This policy helps close a significant gap for workers who often require the flexibility that contract work provides due to their personal circumstances, such as caring for an aging parent or young children. These workers provide critical support to our economy, and in turn, this is a clear and impactful action we can take to support them and improve their health access and quality of life.

In the face of continued federal uncertainty, HB 5041 strengthens the Covered CT program by giving the Department of Social Services additional flexibility to align the program with required changes in Medicaid and maintain its long-term sustainability. This bill also enables DSS to begin exploring opportunities for enhancing the program, expanding participation, and securing additional federal funding to renew Covered CT when its current 1115 waiver expires at the end

[5] https://www.kff.org/affordable-care-act/state-indicator/marketplace-average-benchmark-premiums/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

[6] https://ndpanalytics.com/wp-content/uploads/Portable-Benefits-Report-July-26-2025.pdf

of 2027. Covered CT has helped tens of thousands of Connecticut residents access coverage, and this bill helps ensure it can continue to do so as the health care landscape evolves.

Finally, HB 5041 takes a direct step toward improving prescription drug affordability by requiring health plans to include generic drugs on their formularies when they enter the market at a lower cost to consumers than their covered brand-name alternatives. This will help ensure lower-cost generic options can be accessed in a timely manner, while limiting anti-competitive practices that can delay or discourage appropriate formulary placement and tiering for generics. Connecticut residents should not be blocked from choosing or accessing lower-cost medications because of misaligned financial incentives in the supply chain.

This bill strives to move Connecticut forward on health care affordability in a way that is realistic, responsible, and focused on the everyday experiences of residents who are trying to get coverage and stay covered. Thank you for your consideration of HB 5041, and I look forward to working together with you to address the healthcare affordability challenges in our state.

210 CAPITOL AVENUE, HARTFORD, CONNECTICUT 06106
TEL (860) 566-4840 • www.governor.ct.gov
Governor.Lamont@ct.gov