

Testimony in Opposition to HB 5378: An Act Concerning Self-Funded Multiple Employer Welfare Arrangements and Requiring a Study of the Feasibility of Establishing the Connecticut Option Program and Multiple Employer Welfare Arrangements

Linda Sprague Martinez, PhD, Director, Katia Ruesta-Daley, MSW, Research Assistant,
Valen R. Diaz, MPH, MCHES, Projects Director
Insurance and Real Estate Committee
March 3, 2026

Dear Senator Cabrera, Representative Wood, Senator Anwar, Representative Barry, Senator Hwang, Representative Pavalock D'Amato, and esteemed members of the Insurance and Real Estate Committee, thank you for the opportunity to submit testimony in opposition of HB 5378: An Act Concerning Self-Funded Multiple Employer Welfare Arrangements and Requiring a Study of the Feasibility of Establishing the Connecticut Option Program and Multiple Employer Welfare Arrangements on behalf of the [Health Disparities Institute \(HDI\)](#) at UConn Health.

Established in 2011 through Connecticut General Statutes Sections 10a-109b, HDI has a legislative mandate to enhance research and the delivery of care to minoritized and medically underserved populations of the state. To realize this charge, HDI's mission is to advance systemic change by tackling root causes of health inequities and implementing sustainable solutions through interdisciplinary community-based participatory research partnerships, data-driven community action, and workforce development efforts with communities disproportionately impacted by inequities. HDI's vision is equitable health, education, and economic opportunity for all in Connecticut.

The interdisciplinary, multilingual HDI team, spanning public health, social work, psychology, and medicine, brings deep expertise in participatory research and evaluation approaches and community-driven program planning. We apply evidence-based, participatory approaches to address structural inequities. We partner with agencies, coalitions, resident groups, and researchers to design responsive projects, including research, evaluation, and education, that reflect community priorities and produce actionable solutions to advance health equity in CT.

In our statewide work, a community priority that we have heard repeatedly as a top concern among CT residents is health care access and affordability. Recently, on behalf of the [Commission on Racial Equity in Public Health](#), HDI convened a community research team to co-lead a participatory strategic planning process that explored the impact of racism on

health and identified community-informed policy solutions to eliminate racial inequities in health. Making health care more affordable and reducing medical debt emerged as one of four goals outlined in the strategic plan. HDI also recently held a series of focus groups with Spanish-speaking patients to examine their experiences accessing health care services as part of a project designed to develop more culturally appropriate and responsive health care models. In our discussions with residents across these two projects, cost is cited as one of the most frequent barriers to health care. Community members live in fear of unexpected or unexplained medical bills and medical debt, which leads them to delay or avoid necessary follow-up care. We listened to them recount experiences in which they received medical bills for thousands of dollars and not knowing why. They shared with us their anxiety and constant worry that weighs heavy on their everyday lives. Furthermore, we know that Black and Latino residents [disproportionately bear the ramifications of unaffordable health care and burdens of medical debt](#). Health care affordability is a health equity and racial equity issue.

What we have learned emphasizes that health insurance premiums are only one component of health care costs. We must also consider the quality of coverage and the costs that are passed on to patients. The danger of low premium plans with substandard coverage is the illusion of affordability up front. Insufficient coverage with high out-of-pocket health care costs increases the risk of medical debt, which [is already all too common in Connecticut](#), and in the long run, makes health care unaffordable. CT residents with the least resources will be the most affected. This approach will only serve to exacerbate existing inequities in our state. We must move away from a scarcity mindset that presents two false options: higher premiums and more coverage vs. lower premiums and less coverage. There is a third option we must pursue to make health care affordable for all CT residents: address health insurance premiums while ensuring comprehensive coverage.

As written, HB 5378 would authorize the operation of **Multiple Employer Welfare Arrangements (MEWAs)** in Connecticut, raising significant concerns due to the limited guardrails governing these plans. While MEWAs may include more protection than traditional Association Health Plans (AHPs), they share many of the same [underlying risks](#). Most notably, MEWAs are not health insurance and are not required to comply with key Affordable Care Act (ACA) protections, including requirements that prohibit rating based on factors such as occupation, gender, or medical history.

At their core, MEWAs are not comprehensive health insurance and could open the door to discriminatory practices. Because they tend to be more attractive to healthier individuals,

people with greater medical needs may be priced out or left without adequate coverage options. [As healthier individuals leave the regulated market](#), such as plans offered through Access Health CT, the risk pool in those plans becomes sicker on average, driving up premiums for those who remain. This dynamic ultimately undermines affordability and stability in the broader small-group and individual insurance markets.

HDI also opposes the language of the bill regarding the **study of “The Connecticut Option program” and self-funded MEWAs**. The proposed study narrowly focuses on reducing health insurance premiums, but premiums are only one part of what individuals and families pay. Affordability also includes out-of-pocket costs such as deductibles, copayments, and prescription drug expenses. Examining just one component of cost does not provide a comprehensive or meaningful solution to the broader issue of health care affordability.

Coverage options in the small-group market are limited, and ensuring access and affordability for small employers and their employees is essential to building a healthier state and workforce. HDI respectfully urges the committee to prioritize alternative policy solutions that are more likely to meaningfully improve coverage and affordability. These include strengthening access to comprehensive, ACA-compliant health insurance and focusing on proven strategies such as allowing individuals to buy into a state-run health program, expanding state subsidies, and establishing a [Basic Health Program](#). Together, these approaches are more likely to improve affordability and expand access to comprehensive care for small businesses and their workers.

We stand to respectfully urge the committee to oppose this bill to ensure all Connecticut residents have access to high-quality, affordable health care.

Thank you for the opportunity to submit testimony in opposition of HB 5378: An Act Concerning Self-Funded Multiple Employer Welfare Arrangements and Requiring a Study of the Feasibility of Establishing the Connecticut Option Program and Multiple Employer Welfare Arrangements. We can be reached with any questions at spraguemartinez@uchc.edu.