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**Written Testimony
Comptroller Kevin Lembo
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Concerning

S.B. 444 AA Requiring the Health Care Cabinet to Study Establishing a Health Care Cost Growth Target and Report on Total State-Wide Health Care Spending

Good morning Senator Gerratana, Representative Steinberg, Senator Somers, Representative Srinivasan, and Members of the Public Health Committee:

Thank you for raising this legislation and for the opportunity to support this effort to contain health care spending growth and identify health care cost drivers in the state.

Rapid growth in health care spending continues to be a problem across the country, especially in Connecticut. Our state ranks 4th highest in health care spending per capita at \$8,654 annually according to a Kaiser Family Foundation report.

It's time to let data drive our decisions – because we can't solve a problem until we truly understand the problem.

The Health Care Cabinet's recommendation to set a statewide target on annual total cost of health care follows the lead of the Massachusetts Health Policy Commission, recognized as a national leader in transparency in health care. The MA Commission uses the growth rate of Potential Gross State Product, PGSP, to set the benchmark and measures total health care expenditures on a per-capita basis to control for population growth.

A health care cost growth target will focus the attention of key stakeholders on cost growth containment and identify specific cost drivers in the health care system that need attention. Massachusetts was able to remain below their cost growth target in 2013. However, in 2014, they reported on the impact of expanding MassHealth and dramatic increases in prescription drug costs on the total cost of health care exceeding the cost growth target that year.

Setting a health care cost growth target is an important step in the collective effort to keep health care affordable and accessible in Connecticut.

I urge your support. Thank you for your time.