

Testimony of Rick Melita
CT SEIU State Council
Before the Insurance and Real Estate Committee
March 5, 2020

Good Day members of the Committee. My name is Rick Melita, Director of the Connecticut State Council of the Service Employees International Union. SEIU represents 65,000 active and retired members in Connecticut.

I am here to support SB 346 **AN ACT CONCERNING PUBLIC OPTIONS FOR HEALTH CARE IN CONNECTICUT**. SEIU has long advocated for Connecticut to implement policies to provide more healthcare access to more of our residents through allowing for a public option. This bill allows small businesses, nonprofits, and Taft Hartley funds profits to offer high-quality, low-cost health insurance coverage to enrollees in this state under the ConnectHealth Plan.

The Connecticut Plan (SB 34) will offer

- High-quality health care with affordable premiums & no high deductibles
- Multiple plan options to align with budgets and benefit needs
- No long term commitments
- Dental insurance included
- Stabilized costs by leveraging the market power of the state employee plan

Small businesses, non profits, and Taft Hartley funds are all facing increasing costs. Fewer and fewer small businesses and nonprofits are able to offer health coverage to workers. Those that do face high-deductible plans with little to no value and still face outrageously high and unpredictable costs. And lack of health care often means employers are not being able to find or keep skilled workers due to inability to offer coverage – or compete with corporate benefit packages.

What can be done to address this problem? Using the state healthcare programs to leverage cost savings in the market will provide Connecticut employers the best quality and most efficient health plan choices possible.

What are the arguments against doing this? Some argue that providing a public option will not yield savings or would cost jobs because the public sector has an unfair advantage over private insurers. If the public option is not in fact cost effective, no business non profit or taft Hartley will opt in. And if the public option has an unfair advantage over the private sector, isn't this a tacit acknowledgement that the insurance industry is artificially inflating costs.

Ultimately this is an ideological issue- that insurance and health care must be provided by the private sector because the private sector is somehow "better, faster, cheaper" even though evidence provided today shows quite the opposite.

According to an article called "Public Option Health Insurance Pros and Cons" (<https://www.verywellhealth.com/public-option-health-insurance-pros-and-cons-2615248>) and by the way the pros are lower costs and more people covered.

“The cons of a public option health insurance all relate to the professionals involved in healthcare. ... Private health insurers believe that a public option would put them out of business because it would cost much less and would have massive negotiating power. They would not be able to financially sustain their levels of service or keep paying their investors. Further, they fear that eventually so many people would flock to the public option, and the U.S. would end up with a single-payer system.”

As we stand on the verge of a pandemic, can we afford to cling to that myth? When asked about the government providing direct care for victims of the coronavirus Ted Yoho- Republican Congressman from Florida and frequent ACA critic said “You can look at it as socialized medicine, but in the face of an outbreak, a pandemic, what’s your options?”

Can we afford to continue to allow corporate interests to hoover up profits on our health, that impacts our social, economic and physical health?

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