



UNIVERSAL HEALTH CARE
FOUNDATION OF CONNECTICUT

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Testimony in Support of SB 346: An Act Concerning Public Options for Health Care in Connecticut

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Thank you for the opportunity to submit testimony in support of Senate Bill 346: An Act Concerning Public Options for Health Care in Connecticut.

This year, the Foundation is celebrating our 20th anniversary. After 20 years in this fight, we find the goal of quality, affordable, equitable health care for every resident of our state more unattainable than ever. Yes, Connecticut did a good job implementing the Affordable Care Act (ACA). Yet, even with the celebration of the ACA's 10th anniversary this month, we find achieving our mission is more difficult than ever. The number one barrier is cost.

An increasing number of Connecticut residents cannot afford health coverage and care. Many are trapped in high deductible health plans. They are paying premiums and then have such huge deductibles and co-insurance fees that they rarely see their insurance kick in to pay their medical bills. They are even finding themselves sent to collections for unpaid bills. While technically insured, they are functionally uninsured.

Why is health care so unaffordable in our state and in our country? Experts agree that the number one reason is that the prices are too high. Pharmaceutical corporations and rapidly consolidating hospital systems have the market power to demand higher and higher prices from private payers. And the insurance industry actually benefits from increasing prices, passing those costs along to their customers after taking their percentage cut for overhead and profits.

Our health care system is being run too much for the benefit of the bottom lines of the insurance industry, large hospital systems and pharmaceutical corporations, and too little based on what the residents of our state can actually afford.

When changes are proposed that would benefit consumers, there is always some well-funded lobby group testifying here or meeting with you behind closed doors to explain why it just can't be done or pointing the finger at a different vested interest, suggesting you go after them,

instead. The discussions go around and around, while each industry uses their influence and lobbying dollars to make sure their particular revenue stream remains untouched.

Individual consumers, small businesses, cash-strapped municipalities and even large employers lack the negotiating power to go up against these powerful interests when it comes to health care prices. And when it comes to policy change, they often lack the lobbying dollars and influence to get even small changes through the legislative process. Meanwhile, people are rationing care or forgoing care and coverage all together.

Tinkering around the edges is just not going to cut it. We need big, bold change.

We need state programs, like the State Employee Health Plan, that have the ability to leverage their buying power to benefit more employers and residents of Connecticut. The state employee plan has kept rate increases to a minimum – far below those experienced by private employers – while at the same time focusing on improving and maintaining employees’ health.

That is why The Connecticut Plan makes sense. Based on the State Employee Health Plan, The Connecticut Plan will have the clout to negotiate more reasonable prices and incentivize quality improvement. Enrollees will benefit from the focus on preventive care, primary care and management of chronic illnesses that the State Employee Health Plan is known for, too.

Last year when the possibility of a new health plan option was proposed during the legislative session, our Foundation had the opportunity to observe two focus groups of small business owners discuss their concerns about providing health coverage to their employees. They were uniformly worried about the ever-increasing cost of premiums, finding this expense to be the most unpredictable of all of their business expenses. At the same time, they felt that providing quality coverage to their employees was crucial to retaining and attracting quality staff. Yet, because of the rising cost of health care, they felt they had no choice but to offer plans with higher deductibles and out of pocket costs – extremely aware that these health plans did not meet the needs of their employees. Regardless of their political orientation, virtually all of the focus group participants expressed interest in having the opportunity to offer a plan connected to the state employee plan.

Contrary to what you may be hearing, this bill is a job creator. That is because small businesses are the engines of our economy – employing over 700,000 people. Right now, less than half of them are able to offer insurance coverage to their employees. Having the ability to offer quality, affordable options through The Connecticut Plan, will mean better employee retention and hiring and more job creation over time.

We’re extremely pleased to see that this year’s version of the legislation has expanded to cover Taft Hartley plans and non-profit organizations of any size. These organizations deserve the

opportunity to share in the quality, affordable care available to state employees and municipalities.

In addition, we are glad to see the bill proposes contracting out to a private insurer to offer The Connecticut Plan to individuals. If made available through Access Health CT, we would expect The Connecticut Plan would offer the same standard silver plan design as other carriers, while offering quality and affordable plan options in the gold metal tier, too.

It would also be crucial to offer the Connecticut Plan outside of the exchange, as an option available to residents regardless of immigration status. There are an estimated 130,000 undocumented immigrants in our state who remain uninsured. Those who have the money to pay for insurance should have the opportunity to purchase it. And we urge the legislature to look into possible options for providing off-exchange subsidies. The more people who are insured in our state, the better for all of our health. Growing the number of insured residents will also be beneficial to physicians, hospitals and community health centers in our state, as well as to the insurer who receives the contract.

We also support the creation of a public dental health option, from which many individuals and employers could also benefit.

In 2009, our foundation spearheaded the effort to create, Sustinet, a state-based public health insurance option, also linked to the state employee plan. Sustinet passed, despite Governor Rell's veto. Now we are asking state legislators to take bold action again. Please don't be taken in by the scare tactics and half-truths being peddled by paid lobbyists and the veiled threats from industry behemoths to take their business or their headquarters elsewhere. Please listen, instead, to the needs of your constituents, to small employers, non-profits and unions who deserve nothing less than the same quality, affordable health care that you as legislators enjoy.

The Foundation is in this fight for the long haul. It's time the residents of our state saw some major progress. Please pass SB 346.

Universal Health Care Foundation of Connecticut's mission is to serve as a catalyst that engages residents and communities in shaping a democratic health system that provides universal access to quality, affordable health care and promotes health in Connecticut. We believe that health care is a fundamental right and that our work is part of a broader movement for social and economic justice.