



Date: March 5, 2020

To: Insurance & Real Estate Committee

From: Jeff Shaw, Senior Director of Public Policy & Advocacy, CT Community Nonprofit Alliance (The Alliance)

Re: S.B. 346 An Act Concerning Public Options For Health Care In Connecticut.

Good afternoon Senator Lesser, Representative Scanlon, Senator Kelly, Representative Pavalock-D'Amato and distinguished members of the Insurance and Real Estate Committee. My name is Jeff Shaw, Senior Director of Public Policy and Advocacy at the Connecticut Community Nonprofit Alliance (The Alliance). The Alliance is the statewide association of community nonprofits. Community nonprofits deliver essential services to more than half a million people each year and employ almost 12% of Connecticut's workforce.

Community nonprofits provide essential services in every city and town in Connecticut. They support people in need, enrich our quality of life, and employ tens of thousands. They are what make Connecticut a great place to live and work.

Thank you for the opportunity to testify on S.B. 346, An Act Concerning Public Options For Health Care In Connecticut. The Alliance supports S.B. 346, the so-called "Connecticut Plan," as it seeks to increase access to affordable health insurance for the people nonprofits serve and nonprofit employees.

Despite major gains in health insurance coverage through the Affordable Care Act, thousands of Connecticut residents still cannot purchase affordable health insurance, whether in the private market, through Access Health CT or through their employer. The Connecticut Plan seeks to provide affordable plans for these individuals and families.

Over the last decade, community nonprofits that provide essential services have borne the brunt of State budget cuts, a portion of that funding intended to pay for health insurance for nonprofit employees. While funding for nonprofits decreased, operational costs, such as providing health insurance for employees, increased exponentially, as much as 24% within a year according to one employer in the small group market. On top of those operational cost increases, there has been widespread increased demand for services, as much as 15% or more according to dozens of nonprofits. As a result of all these increases in costs, many nonprofit organizations have been forced to reduce the quality of health plan offerings or only offer high-deductible plans. Not surprisingly, staff turnover occurs as these benefits are reduced, which threatens continuity of care for thousands of vulnerable people.

The Connecticut Plan seeks to address affordability and access. Unlike last year's proposal, community nonprofits of all sizes would be eligible in the proposed plan. To make sure the Connecticut Plan works for most nonprofits, The Alliance strongly recommends:

- The Connecticut Plan should be optional. Nonprofits should not be forced into buying any health insurance plan. While the Connecticut Plan will likely be an attractive offering for many nonprofits, some organizations may be happy with their current plan, network and costs.



- For nonprofits that contract with the State to provide services, the State needs to adjust current contracts to include all costs associated with the proposed insurance, which could potentially be more expensive than their current plan.

The Connecticut Plan seeks to offer high-quality health care with affordable premiums and no high deductibles. Nonprofit employees, and the people we serve without insurance, deserve this benefit.

Please support S.B. 346. Thank you.