

Honorable Senator Prague, Representative Ryan, and Members of the Labor Committee,

My name is Lynn Cybulski, and I am a graduate student at the University of Connecticut School of Social Work. I am here to testify on Senate Bill number 462, An Act Concerning a Fair Share Health Care Surcharge. I am in support of this legislation and hope that you will support it as well.

Fair Share Health Care is a public policy that would require large employers, for example, Wal Mart to provide affordable health coverage to their employees or pay into the states' general fund to offset state costs for the uninsured.

Specifically, in the state of CT, this bill would impact retail employers with 5,000 or more employees. These companies would be assessed a surcharge of \$2.50 per hour worked per employee. The company would then credit against this surcharge their current health care costs. If the company already spends \$2.50 per employee per hour then they would pay nothing. If the credit is smaller they either begin to provide better coverage or pay into the states' general fund.

For a 40 hour per week per person, \$2.50 per hour equals \$5,200 per year. This is about the average cost for individual health coverage in the state of CT. Most employers are well above the \$2.50 standard. For example, Electric Boat pays \$5.76 per hour, per employee and Stop and Shop pays about \$3.50 per hour, per employee. Wal Mart is paying around \$1.30 for their employees' health coverage.

I feel that Wal Mart is placing a huge financial burden on our state. CT is supplementing this private business by paying for the health care coverage of its employees. On October 26, 2005, the New York Times writers, Greenhouse and Barbaro share in their article, Wal Mart Memo Suggests Ways to Cut Employees Benefit Costs; "that of Wal Mart's 1.33 million

employees in the United States, only 48 percent are covered by the company's health insurance plan. Those employees who Wal Mart does cover receive relatively paltry benefits-the company spends only about \$2,600 annually per covered employee for health benefits. In contrast, Wal-Mart's competitor, Costco, covers 80 percent of its workers and spends \$5,735 per worker for health benefits."

My recommendation is for this committee to look at this issue through the lens of a health care crisis. Small business should not be stuck subsidizing the cost of their competitor's health care through taxes. In summary, this legislation needs to be passed so that large employers will pay their fair share. This act would enable the worker and her/his family to have greater access to employee health care plans. Thank you for your kind attention and I appreciate this opportunity to present my testimony. I will be happy to answer any questions that you may have for me.

Lynn Cybulski