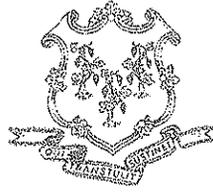


THE CONNECTICUT GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES



CHRISTOPHER G. DONOVAN
MAJORITY LEADER

Labor and Public Employees Committee
Public Hearing
March 8, 2007

Testimony on House Bill 7320

Senator Prague, Representative Ryan, Members of the Labor and Public Employees Committee:

Good morning and thank you for drafting and raising Bill 7320. This bill would create the Connecticut Insurance Pool, a health insurance pool for Connecticut's municipal employees. The bill would require the Comptroller to manage the pool and provide all municipal employees with the same health care plan that state employees currently receive. The restructured pool that Bill 7320 would create is estimated to save approximately two-hundred million dollars and could be used as a model for a universal health care system for the entire state.

Our current health care system is in a state of crisis. It is disorganized and inefficient. About 300,000 Connecticut residents are uninsured and even more have trouble accessing quality health care. This lack of a workable system is not only unhealthy for our residents but for our economy and our state as a whole. We can provide better health care plans and save money simply by restructuring our current system.

Right now municipal employees receive health care coverage in a variety of ways. Each municipality purchases health insurance for its employees independently and as a result, health care plans across the state are drastically different and have a wide range of prices. This legislation would put all municipal employees into one pool and streamline the system so that we can improve efficiency, improve quality, save money at the same time.

Attached to the copy of my testimony that you received is the state employee health care plan. This is the same plan that we as legislators receive right now, and Bill 7320 would require the Comptroller to provide this plan to municipal employees as well. The state health care plan is known by many to be a good, comprehensive plan. Today, some

municipalities might have health plans that are comparable to this, but depending on the size and claim history of the municipality, the price of this plan can be extremely different. By placing all municipal employees in one pool, we can give all of them this good plan and save money at the same time.

It is estimated that this bill can save \$200 million for our municipalities. A streamlined system will reduce administrative costs, increase bargaining power, eliminate inequities between towns and relieve municipalities from the burdens of procuring and negotiating complicated and expensive health care plans. In addition, the state will contribute one third of each municipality's health care costs, which can be directly used for reducing property taxes.

The Bill also includes a pilot program to permit non-profit corporations and small employers to participate in the insurance pool. I expect that participation in the Connecticut Insurance Pool will save money for these groups as well. Right now, large employers are at an advantage because they can offer health care plans to their employees at much lower prices than small employers. This pilot program would allow small businesses to afford health care for their employees by pooling together and therefore evening the playing field with larger businesses.

I have talked to representatives from CCM and representatives from state and municipal labor unions and they are all interested in exploring this issue. There are already a few suggested changes that I think would be helpful. For example, labor unions are very interested in making this bill part of a statewide universal health care plan.

I envision this legislation as a building block for a Medicare-for-all-like plan for the state. By working together we can create a functional and efficient health care system for everyone. Bill 7320 is an important step towards solving our state's health care crisis and I urge you to pass this bill.

Benefit Features	All Carriers		POS Out-of-Network
	POE and POE-G	POS In Network	All Carriers
Deductible			
Each Individual	None		\$300
Family (3 or more)	None		\$900
Out-of-Pocket Maximums			
Each Individual	None		\$2,000 (plus deductible)
Family	None		\$4,000 (plus deductible)
Coinsurance	None		20% of allowable charge
Lifetime Maximum	None		None
Outpatient Physician Visits	\$5 copay	\$10 copay	80%
Preventive Care - Children	No copayment for well-child visits and immunizations		80%
Adults	\$5 copay	\$10 copay	
Family Planning Oral Contraceptives-Rx plan	Covered on same basis as other prescription drugs		Covered on same basis as other prescription drugs
Vasectomy	100% (pre-certification required)		80% (pre-certification required)
Tubal Ligation	100% (pre-certification required)		80% (pre-certification required)
Inpatient Physician	100% (pre-certification required)		80% (pre-certification required)
Inpatient Hospital	100% (pre-certification required)		80% (pre-certification required)
Outpatient Surgical Facility	100% (pre-certification required)		80% (pre-certification required)
Ambulance	100% (if emergency)		100% (if emergency)
Pre-admission Certification / Concurrent Review	Through Participating Provider		Penalty of 20% up to \$500 for no certification
Prescription Drugs Retail Pharmacy	\$3 generic/\$6 brand for up to 34 day supply Maintenance Drugs 100 day supply - \$3 generic/\$6 brand if brand ordered by the doctor		80%
Mail-order pharmacy	Maintenance Drugs 100 day supply - \$3 generic/\$6 brand		Not Available
Mental Health	Pre-certification required		Pre-certification required
Inpatient	100%		80%
Outpatient	\$5 copay	\$10 copay	80%
Substance Abuse	Pre-certification required		Pre-certification required
Detoxification	100%		80%
Inpatient	100%		80%
Outpatient	\$5 copay	\$10 copay	80%
Skilled Nursing Facility	100% (pre-certification required)		80%, up to 60 days/year (pre-certification required)
Home Health Care	100% (pre-certification required)		80%, up to 200 visits/year (pre-certification required)
Hospice	100% (pre-certification required)		80%, up to 60 days (pre-certification required)
Short Term Rehabilitation and Physical Therapy	100%		80%, up to 60 inpatient days, 30 outpatient days per condition per year
Diagnostic X-Ray and Lab	100%		80%
Pre-Admission Testing	100%		80%
Urgent or Emergency Care	100%		100%
Durable Medical Equipment	100% (pre-certification required)		80% (pre-certification required)
Prosthetics	100% (pre-certification required)		80% (pre-certification required)
Routine Eye Exam	\$15 copay 1 exam per year		50% 1 exam every 2 years